

Herald



Tribune

Published with The New York Times and The Washington Post

8,685

PARIS, WEDNESDAY, APRIL 9, 1975

Established 1837

Goncalves Tells Portugal It May Face a Boycott

PARIS, April 8 (AP)—President dos Santos Goncalves told the Portuguese today of the economic boycott by the world against the leftist regime.

Goncalves said a news agency that Portugal's position was not universally accepted and that "we wouldn't rise if there were an economic boycott," to elaborate, Gen. Goncalves said: "I am not saying a boycott has already been decided or will be put into effect. But there are indications it is possible, and we take it into account."

He said it would be unrealistic to expect foreign aid, and that "we must count on our own."

In a 1 1/2-hour press conference, Gen. Goncalves said Portugal was opening its foreign relations to all the world—the East and Africa as well as its traditional Western allies.

He stated his promise that Portugal would not pull out of the Atlantic alliance.

He expressed concern that the Portuguese government in the provisional government was the treaty of the Atlantic alliance.

He said he had assumed a commitment toward the NATO countries.

and we will carry it out," Gen. Goncalves said. The Premier added, however, that the U.S. base at Lajes in the Azores—a refueling link in American aid to Israel during the last Arab-Israeli war—would not be used against the Arabs.

"We will fulfill our commitments," he said, "but we will not permit the Lajes base to be used against the Arabs, just as Germany and Spain did not permit their bases to be used."

He defended Portugal's right to decide on its own brand of socialism, without outside interference. "No two countries go the same way to socialism," he said.

Gen. Goncalves said Portugal faced difficult times ahead because of its economic problems, but that new economic plans were in preparation.

The extent of economic difficulties was indicated in a banking publication's report that private buyers and businesses fell \$40 million behind in installment payments during January.

The new impulse to the left, Gen. Goncalves said, was made possible by the defeat of a rightist officers' plot on March 11. He said there were indications that "international capital" was involved in that too.

In answer to a question, Gen. Goncalves said officers arrested in connection with the coup attempt would not be executed. Meanwhile, the Armed Forces Movement said today that it was throwing its full weight behind Portugal's "socialist revolution" and would take all the necessary measures to insure "democratic and revolutionary order in the country."

The movement's 24-member assembly also announced that it would form a military court to judge those implicated in last month's abortive coup, and would continue a purge of the armed forces.

In a statement following a meeting last night, the movement said it had drawn up "the ideological lines . . . for armed forces activities . . . recognizing and sanctifying the socialist revolution begun on April 25, 1974, and the methodology to be applied in the practice of concrete measures."



dos Santos Goncalves

Kissinger Is Wary

Israel and Egypt Inform U.S. Desire for New Mediation

By Bernard Gwertzman

WASHINGTON, April 8 (NYT)—Israel and Egypt have informed United States of their interest in a new American mediation but so far neither side owns any readiness for compromise to break the impasse that has paralyzed the peace process.

The collapse of Secretary Henry Kissinger's latest mission yesterday with diplomats and officials revealed that Kissinger is wary of becoming involved again in a "diplomatic shuttle" until he is convinced that an agreement is possible.

In particular, Mr. Kissinger has been reluctant to drop their peace on major political issues from the Egyptians in withdrawal in the Desert.

Last Kissinger shuttle broke when Israel and Egypt refused to alter their basic positions. The Egyptians insisted on giving up the strategic Sinai passes of Gidi and in the Sinai and the oil of Abu Fudeh.

The Israelis refused to do without a pledge of non-

belligerency by Egypt and specific actions which would amount to an end of the state of war between the two countries.

The Egyptians, while offering to take some steps to assure Israel of its improved military security, refused to make the political concessions as long as Israel continues to occupy Arab territory captured in the 1967 war.

Mr. Kissinger and President Ford have expressed unhappiness with the Israeli position and have said that they believe the next step in negotiations would probably have to be the Geneva conference, where Israel would face a united Arab front and be at more of a disadvantage than it was in the Kissinger mediation.

The Israelis, however, while acknowledging that Geneva was a possibility, have been privately urging Mr. Kissinger to resume his mediation.

The United States, while recognizing Israel's efforts to appear flexible, has deflected no sign that it is willing to go beyond what it was willing to do on March 22, the last day of talks with Mr. Kissinger.

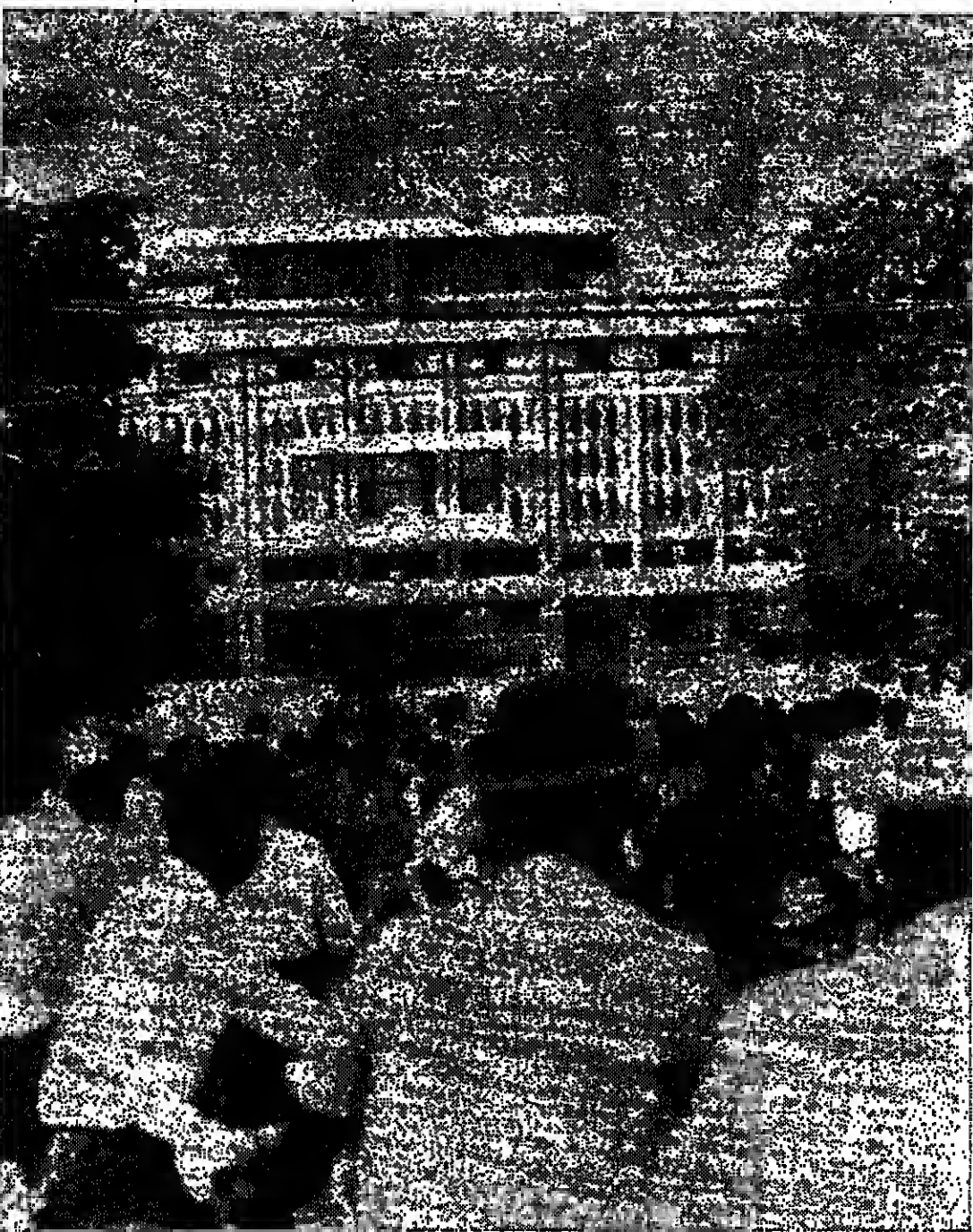
President Anwar Sadat of Egypt, who has formally called for a resumption of the Geneva conference, has also kept open the possibility of another mediation mission by Mr. Kissinger, but only if the secretary of state can deliver the strategic passes.

Under these circumstances, the administration seemed willing to wait for further concessions, particularly from Israel, before taking any new steps.

State Department Denial

WASHINGTON, April 8 (Reuters)—The State Department today rejected speculation that Mr. Kissinger was about to resume his Middle East mission.

Department spokesman Robert Anderson said there was no basis to suggestions that Mr. Kissinger would return to the Middle East. He said the Egyptian or Israeli would send representatives to talks in Washington.



AFTER THE ATTACK—Crowd outside presidential palace in Saigon yesterday.

2 Hanoi Divisions Launch Attack

Saigon's Road to South Threatened

By Fox Butterfield

SAIGON, April 8 (NYT)—Two North Vietnamese divisions launched a series of ground and shelling attacks in the upper Mekong Delta today in an apparent effort to cut off Saigon from the country's most populous and rice-rich area.

In Cambodia, the fighting abated near Phnom Penh.

A Saigon military spokesman said the Communist troops fired more than 1,000 rounds of mortar and artillery shells and assaulted several government positions near Moc Hoa, the small capital of Kien Tuong Province. Moc Hoa, long a favorite Communist target, lies 50 miles west of Saigon in the watery Plain of Reeds.

Western intelligence officials said they believed the attacks were part of a new Communist drive to cut Route 4, the critical artery that carries the delta's rice, fruit and vegetables to Saigon.

All roads to Saigon from the north have already been cut in the Communist's month-old offensive, in which they have seized two-thirds of the country.

According to travelers returning to Saigon from the south over Route 4, government army units, including tanks and armored personnel carriers, have been stationed in large numbers along the highway and placed on full alert.

The new fighting near Moc Hoa, which blocks the North Vietnamese route to Route 4, coincides with a third straight day of

intensified attacks elsewhere in the delta.

There has been no collapse by the South Vietnamese in the delta similar to that which occurred in the Central Highlands and on the coastal plain to the north.

The Communists scored major gains in the delta, however, during the first phase of their offensive last December.

The Saigon command also reported an upsurge in Communist actions in the immediate vicinity of Saigon last night. Communist gunners reportedly fired 40 mortar rounds into Long Thanh district

town, in Bien Hoa Province near the large former U.S. Army base at Long Binh.

Cambodia Fighting

PHNOM PENH, April 8 (NYT)—Combat slackened noticeably on all sides of Phnom Penh today as the Communist insurgents appeared to be regrouping for their next round of attacks.

A sharp increase in insurgent pressure on the Cambodian capital has been expected since the fall of Neak Luong, on the lower Mekong River, a week ago.

The insurgent force that took Neak Luong is only a day's march from government positions to the south of the capital.

Meanwhile, Premier Long Boret returned to Phnom Penh, just a week after he helped ease President Lon Nol into exile by accompanying him on a face-saving official visit to Indonesia.

Long Boret laughed at reports that he had met with the Khmer Rouge in Bangkok, neither confirming nor denying them. Thai Foreign Minister Chulabhorn said Long Boret spent four hours last night with a party of the other side concerning peace talks.

In an interview today, the Premier said, "We have to resist and strengthen our internal front by mobilizing all our energy."

Within a few hours after his return, the Premier met with U.S. Ambassador John G. Dean, who heads the only embassy still functioning in Phnom Penh.

Passerby Sees Invalid Robbed, Takes the Loot

PHILADELPHIA, April 8 (AP)—A cripple at the Reading Railroad Terminal unnered a gang of boys who snatched off his tin cup by screaming and pursuing them in his wheelchair.

The youths threw down the cup, scattering the old man's money.

A passerby saw the man's predicament, gathered up the coins and then ran off with the money himself, police reported yesterday.

France Faces Action by EEC Over Banning of Italian Wine

BRUSSELS, April 8 (Reuters)—The Commission of the European Economic Community tonight decided to open proceedings against France for boycotting imports of wine from Italy, a statement said.

France must justify its action within eight days under the terms of the EEC treaty, which provides for free movement of goods among member states.

Depending on the French reply, the commission can take the matter to the EEC's Court of Justice in Luxembourg.

The commission said today that it endorses Italy's action in already taking France to the court.

Ministers Meet

The commission's decisions were reached following talks earlier today by the French and Italian agriculture ministers, Christian Bonnet and Giovanni Marcora, and the EEC farm commissioner, Pierre Lardoux.

Mr. Marcora said that Italy will not discuss ways to end the Common Market's wine surplus until

France ends its boycott of Italian wine.

"Reopening frontiers is a precondition for any discussion about the wine problem," he said after the talks with Mr. Lardoux and Mr. Bonnet.

The Italian minister denied French claims that Italy was dumping cheap wine in France, and abusing the EEC rules. He said Italian wines were cheaper because growers accepted lower profit margins.

About 70 winegrowers from southern France, who demonstrated outside the commission building during the talks, said in a statement that 80 per cent of last year's production was still unsold and that their incomes had fallen by 30 per cent in the last two years.

The French government suspended wine imports from Italy March 28 after weeks of protests from domestic growers about falling prices.

The commission statement said that it had also adopted urgent

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Raid by Lone Pilot

Thieu Still in Control After Palace Bombing

From Wire Dispatches

SAIGON, April 8.—A lone South Vietnamese fighter pilot bombed the presidential palace this morning, but President Nguyen Van Thieu was unhurt and remained in firm control of the government.

Two persons were killed and three were injured in the raid, carried out at 5:30 a.m. by a single Northrup F-5 fighter with South Vietnamese Air Force markings. The plane made several passes over the palace, dropping several bombs. A palace spokesman gave the casualty figures, and a witness said a stairwell and other parts of the large, modern building had been damaged. No member of Mr. Thieu's family or staff was hurt.

Mr. Thieu, in a short address over radio, assured the nation that he was alive and well and "determined to continue leading the nation." He said that the bombing and staffing of the palace was in no way a coup d'etat initiated by the armed forces or the air force as a whole, "but by a narrow, exclusive group of men."

Pilot's Refuge Unknown

Government sources disclosed that the pilot was Lt. Nguyen Thanh Trung, whose fighter was among those based at Bien Hoa air base, 12 miles from Saigon. Lt. Trung reportedly had been dispatched on a mission against Communist targets in the Phan Thiet area with two other F-5s, but broke away from his group to attack the palace.

Air force sources said that both his parents had been left behind in Da Nang when the city was abandoned by Saigon forces to the Communists two weeks ago.

Where Lt. Trung landed after the attack was unknown tonight. Western sources discounted the possibility that he had flown north to some Communist field, and it seemed unlikely he had returned to Bien Hoa or landed at Saigon, where he presumably would have been arrested.

Speculation centered on Udorn air base in Thailand as the most likely possibility. The absence of any indication that he had arrived there could be explained by Thai reluctance in admitting that the Bangkok government had granted him sanctuary, the sources said.

'Staging' Charged

Air Vice-Marshal Nguyen Cao Ky, a former air force commander and premier who, since 1971, has been one of Mr. Thieu's main political opponents, denounced the bombing, although he said he had warned the government of the possibility that such a thing could happen. The armed forces have become so disaffected, he said, that such attempts must be expected.

Another of Mr. Thieu's opponents, National Assembly Deputy Nguyen Van Binh, charged that the bombing had been a staged

incident as a pretext for arresting opposition politicians.

"It is a warning for him to change his policies," opposition Deputy Tran Tuyen said, adding that Mr. Thieu may use the bombing as an excuse "to terrorize the opposition groups and individuals."

"The bombing means the whole population is waiting for Thieu to step down," said the Rev. Dinh Binh Dinh of the predominantly Roman Catholic Anti-Corruption Movement.

The commander of the South Vietnamese Air Force, Lt. Gen. Tran Van Minh, said in an interview that the bombing of the palace was a "personal act" and a military spokesman said that no officers had been arrested. But several politicians were understood to be in hiding tonight.

Overwhelming 'No'

Capitol Hill Says Voters Oppose Aid to Indochina

By Spencer Rich and Richard L. Lyons

WASHINGTON, April 8 (WP)—Congress returned yesterday from its Easter recess and members reported overwhelming opposition from the voters to any further military aid for South Vietnam and Cambodia.

"They're saying no, a loud, loud no," said Sen. Frank Moss, D-Utah.

Sen. Lowell Weicker, R-Conn.,

said, "They're just overwhelmingly against it."

[The Army's chief of staff, Gen. Frederick Weyand, said today that South Vietnam cannot survive without additional military aid from the United States, the Associated Press reported.]

"I told the committee the South Vietnamese were under very heavy pressure and that a crisis point had been reached for the survival of this nation," Gen. Weyand told reporters following a closed-door appearance before the Senate Armed Services Committee.

[Gen. Weyand reported to the committee on his recent inspection trip to South Vietnam for President Ford and said that he found the situation there to be in large measure "a crisis of confidence and morale."]

XX sufficient aid is received, the South Vietnamese will fight, the general said.]

Even Republican loyalists indicated sharply rising opposition at home to further Indochina military aid, although all said they would be inclined to back President Ford's requests for assistance.

Sen. Barry Goldwater, R-Ariz., said that he would back aid to Vietnam but would not favor further aid to Cambodia because he does not feel that the United States has a commitment to that nation. He was pessimistic.

(Continued on Page 2, Col. 8)

Vorster's Forces in Rhodesia Reportedly to Leave by June

DAR ES SALAAM, April 8 (UPI)—Zimbabwe Foreign Minister Vernon Mwaanga said today that South Africa has agreed to withdraw all its troops from Rhodesia by the end of next month.

"South African Prime Minister (John) Vorster has now agreed that South African security forces will be withdrawn by the end of May," Mr. Mwaanga said at a meeting of the 42-nation Organization of African Unity, which convened yesterday to draw up a united response to South African attempts at détente.

There are between 2,000 and 4,000 South African security men currently in Rhodesia. They have been helping Rhodesian troops to fight black guerrillas along the country's borders, but were recently withdrawn to peaceful areas within Rhodesia while détente talks between South Africa

and some of its black African neighbors were in progress.

The Zambian foreign minister also supported a previous Tanzanian statement which urged the African and Arab ministers to continue a dialogue with South Africa and use force in the southern half of the continent only as a last resort.

Our objective has always been to achieve [majority rule in southern Africa] by peaceful means if possible and by armed struggle if necessary," the minister said.

Conference officials said that the Tanzanian statement would be used as a basis to frame the OAU's response to South Africa. Earlier today, African liberation movements called for the total isolation of South Africa and the start of widespread guerrilla warfare in the southern part of the continent.

"Africa has nothing to discuss with the Pretoria regime," Samora Machel, president-designate of Mozambique, declared at the meeting. "It would be a serious mistake on our part, a betrayal of the struggle of Africa and all oppressed peoples, to succumb to the imperialist maneuver."

3 Movements Outlawed

LUSAKA, Zambia, April 8 (Reuters)—Zambia has outlawed three Rhodesian African nationalist liberation movements which have used it as a base.

The movement said yesterday that Interior Minister Aaron Miller signed a decree banning the Zimbabwe African National Union (ZANU), the Zimbabwe African People's Union (ZAPU) and the Front for the Liberation of Zimbabwe (FROLIZ).

The decree said the movements were being used for purposes prejudicial to the maintenance of peace, order and good government.

The banning of the three individual movements does not affect the African National Council (ANC), the umbrella organization under which they merged last December.

Under the merger, the three organizations theoretically ceased to exist, although some dissident ZANU members disagreed with the merger.



WORD FROM VINEYARDS—French winegrowers handing out leaflets at EEC offices.

CIA Says Moscow Won't Need to Import on Credit

Russian Payments Status Seen Improving

By Edwin L. Dale Jr.
WASHINGTON, April 8 (NYT).—A new study by the CIA has concluded that the Soviet Union, thanks to much higher prices of oil, gold and other exports, will in the year ahead be able to pay for a much larger volume of imports from the West without having to rely on credit.

The study has been declassified and is available from the Library of Congress.
It does not address itself directly

to the question of whether the newly comfortable position of the Soviet balance of payments will make less important the current ban on extension of credit to the Soviet Union by the Export-Import Bank, imposed by Congress last year.

But it says that if the Russians want something from this country badly enough, they will have no trouble paying for it in the next five or six years.

The study concludes:

• Western medium and long-term credits have been an important factor in the growth of Soviet imports from the West. They almost certainly will be less of a factor over the next 5 to 6 years, although the Soviet Union will continue to draw on the large volume of Western credit already extended.

• With export earnings rising rapidly, Moscow will have little need to solicit Western credits in order to increase imports substantially during 1975-80. But as long as Western governments continue to offer long-term credits at interest rates below the world's expected long-term inflation rates, Moscow will probably opt for credits, at the same time reducing exports of gold and/or goods whose real worth is expected to increase.

What the study terms "hard currency" imports by the Soviet Union have risen dramatically since 1967. From \$1.6 billion in that year they reached \$6.6 billion in 1974 and an estimated \$6.5 billion in 1975, when agricultural imports were less than the year before.

Because of a sharp rise in the Soviet Union's export prices, the study said, "in 1974 the U.S.S.R.'s balance of trade may have been in surplus by \$500 million to \$1 billion, in vivid contrast with the \$1.7-billion deficit in 1973 and the practically uninterrupted string of deficits since 1961."

The outlook for Soviet exports to the West in the years to 1980, the study said, is such that Soviet "import capacity" will rise by as much as 30 per cent a year. It added that "the Soviet economy will not be able to assimilate imports at this rate."

Dacca Tackles Hoarding of Cash

DACCA, April 8 (Reuters).—The Bangladesh government has called in all bank notes of 100 taka (\$13.20) in a bid to stop the illegal hoarding of cash.
The government announced the recall in a special broadcast last weekend that interrupted normal television and radio programs.
The measure would hit tax-dodgers who do not bank their cash to avoid taxes and would help arrest domestic inflation, economic experts said. All banks, treasuries and post offices have suspended normal operations until Thursday to accept the 100-taka notes.

SALT Session

GENEVA, April 8 (Reuters).—Soviet and U.S. negotiators, working on a new agreement to limit the two superpowers' nuclear arsenals, talked for an hour and 35 minutes here today, according to sources at the Strategic Arms Limitation Talks.



VIET CONG RECRUITS—Photo transmitted by North Vietnamese press agency VNA, which said it showed Vietnamese Liberation Army troops instructing volunteers in Hue.

Hanoi Reportedly Is Moving Its Air Force Into S. Vietnam

By Drew Middleton

NEW YORK, April 8 (NYT).—The North Vietnamese Air Force is believed to be moving south to join the strong ground forces being assembled by Hanoi's high command in the battle area around Saigon.

The North's tactics, U.S. military sources said, are following the classic pattern of heavy concentration at a key point either to insure a military victory or to force a political capitulation.

The North Vietnamese Air Force was reported yesterday to be moving into airfields at Pleiku, Da Nang and Hue that were abandoned by Saigon's forces in the first two weeks of the current drive.

As a result of this move, U.S. sources said, in any protracted battle for Saigon the Northern

forces could call on fighter-bombers and light bombers to attack defensive positions.

There are approximately 250 aircraft in the North Vietnamese Air Force. The planes being sent south, it is assumed, are MIG-17s and MIG-21s. Most of the North's MIG-21 interceptors are likely to be left above the border to protect targets there against any possible attack by South Vietnamese aircraft.

Meanwhile, strong ground forces are being concentrated in the critical area around Saigon. Intelligence analysts estimate that the North already has 60,000 regular troops in the capital area, an advance of roughly 2 to 1 over the defending troops.

Military sources note that the North Vietnamese offensive, requires a 3-to-1 advantage in manpower for a successful offensive except in exceptional cases. They said that the North might delay starting a major attack until it was confident that it had attained that margin of superiority.

The southward movement of North Vietnamese divisions is continuing methodically. As far as can be seen, Washington sources said, no air strikes have been mounted by the South Vietnamese to interrupt this movement, which is proceeding over the main military highways.

Forces Fanned Down

But the spectacle of an embattled Saigon government standing alone has diminished American dependability in the eyes of Australian military strategists. At the same time, the swift collapse of the Saigon government forces has reinforced concern over the state of Australia's defenses.

Gen. Mervyn Bogan, former chief of the general staff, said in an interview that the threat to the security of the region "must be more manifest now."

Gen. Bogan continued, "The domino theory has got to be given a certain amount of credence. The dominoes don't fall down right before your eyes, a situation can nevertheless arise in which there will be a creeping paralysis throughout the whole area."

Gen. Bogan said that Australia could not rely on the United States in the same way as in the past.

Australians Reappraise U.S. Alliance

By Ian Stewart

SYDNEY, April 8 (NYT).—The dramatic military reversal suffered by South Vietnam has prompted calls here for an urgent reappraisal of Australian defense planning and the extent to which the country can rely on the United States for military aid.

The state of Australia's defenses and the future direction of its foreign policy in the light of developments in Indochina are expected to become major political issues over the next few months.

The opposition Liberal party already has fired the first shots in what could be a long and vigorous debate leading up to the next general election, which is scheduled for the end of 1976, by accusing the Labor government of neglect in the field of defense.

Strategic thinking here since the 1950s has revolved around expectations that the United States could be relied upon to come to Australia's assistance in the event of a direct enemy attack on Australian territory.

The terms of the ANZUS security treaty, the treaty obliges each of the signatories, Australia, New Zealand and the United States, to meet an armed attack on any one of them "in accordance with its constitutional processes."

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Sen. Jackson Says U.S. Gave Secret Assurances to Saigon

By Robert Siner

WASHINGTON, April 8 (UPI).—Sen. Henry Jackson charged today that U.S. diplomacy with South Vietnam about the Paris peace agreement has been characterized by "secret negotiations, producing secret agreements, containing secret commitments." He added that similar secret commitments had been made with the Soviet Union on trade and strategic arms limitation, a charge he has made before.

In a speech on the Senate floor, the Washington Democrat said, "I have it on the best of information, the best of authority, that secret agreements were reached. We did not reveal what these agreements entailed, but said they 'involved future American decisions.'"

Sen. Jackson called on the administration to produce "documents embodying or reflecting these secret agreements" and warned that, if they were not forthcoming, he would call administration officials to testify before the Senate.

Sen. Jackson did not say why he would call, but sources said that there was particular interest in hearing Secretary of State Henry Kissinger, who played a major role in negotiating the Vietnam agreement, the arms limitation agreement and the trade deal.

The sources pointed out that South Vietnam had seemingly rejected U.S. proposals for a ceasefire in late 1972, but two months later, after intensive negotiations led by Mr. Kissinger, changed its position and accepted terms substantially the same as those originally offered. They speculated that there might be questions on whether secret promises were given to the Saigon government to induce it to accept the terms.

However, after Sen. Jackson's speech, Senate Majority Leader Mike Mansfield told newsmen that he knew of no secret agreements. "Every time we met with Mr. Kissinger, after one of his visits and journeys overseas, that question was asked, and the answer always was no," he said.

The Montana Democrat added that if evidence of secret agreements turned up, "I would expect

the appropriate commission to look into the breaches and trust."

Neither the White House nor the State Department spoke for newsmen. A spokesman for Mr. Kissinger, on whom he said the United States had no "legal commitment" to South Vietnam's survival, a charge he has made before.

In his speech, Sen. Jackson said that "in fairness to Ford, I think it is recently that he found out the agreements."

Referring to Mr. Ford, that Congress was back on commitments to Saigon, Sen. Jackson said, "The fact Congress is being so close to the commitments is a fact that never heard of."

Sen. Jackson also charged that "crucial Soviet-U.S. communications" relating to trade have never been to Congress.

Capitol Hill Says Votes Oppose Aid

(Continued from Page 1)

misdeeds about the chances of survival of either country's men.

Rep. Walter Flowers, who has generally supported administration on Indochina, said that his constituents "think China is going down" and that we shouldn't "make friends with who govern. I can't justify a military aid."

All Say Get Out

Rep. Tom Railsback, said that his voters "all out. They think it's full. They don't believe the House will vote more aid to Indochina, and I can't believe the President came up here Thursday he will address Congress, sign policy, and ask to military aid."

Rep. G.V. Montgomery, one of the staunchest supporters of the administration's policy, said that he was appalled by what he made a bid to sharply criticize South Vietnamese government for blaming its defeats on the United States.

"The South Vietnamese blame only themselves," Rep. Butler Derrick, who said that his district had been one of the most "red" in the country, said that the Vietnamese government "let us down. They're not to prolong the situation by any more military aid."

Mr. Ford's request for \$1 million in additional military aid for South Vietnam has pending for two months the House Appropriations Committee, without action. Jo Cichan, D-Ark., said he decided to sharply criticize the House Committee, which chairs, would approve it.

A separate request for \$2 million in military aid for Cambodia has been scaled down to \$1 million by the Senate Intelligence Committee, but that amount has been rejected by the House Committee on national relations.

Strong Opposition

In the Senate, a bare majority of 51 votes to support some aid to Cambodia or Vietnam. But the Democrats who hold 51 of the Senate seats, demurred.

Senate Democratic leader Mansfield, of Montana, said that Robert Byrd, a Virginia and John Pastore, R-Ill., insisted strong with the White House against the declining fortunes Cambodia and South Vietnam, a political football to Congress and the Democrats.

"This is not the time for the executive or the legislative branch to begin pointing fingers," said Sen. Max Baucus, temporarily, but Sen. Byrd said, "Some commitments are made to commitments in fact and then Congress is blamed for keeping those commitments."

Sen. Pastore said, "No, what we do, if we couldn't North Vietnam with 500,000 men, with billions of dollars worth of arms, how do we expect to stop them now?"

A number of Republicans speak up for aid to Cambodia or Vietnam, while conceding many voters oppose it.

Sen. Bob Dole, R-Kan., said that he was "quickly added that he was opposing direct military aid."

He said he opposed philosophy of "millions of readers but not one new trip."

NATO Attacked On Lisbon Policy

MOSCOW, April 8 (UPI).—A Soviet newspaper accused NATO yesterday of interfering in the internal affairs of Portugal.

The newspaper, Vechernyaya Moskva, said planned NATO naval exercises in the eastern Atlantic were a "veiled threat" to influence the current Portuguese election campaign.

The newspaper also disputed allegations that Portugal faced a return to totalitarianism. "The majority of observers agree that the people of Portugal, which managed to liberate itself from the chains of fascism, will support those political forces that are further democratization of the country," it said.

A Vietnamese woman, who said she had been involved in refugee aid, accused many of the 250 people at the meeting of being on a

Rush to Get Vietnam Orphans Ascribed to 'Guilt'

WASHINGTON, April 8 (UPI).—While Americans are rushing to adopt South Vietnamese orphans, the Department of Health, Education and Welfare estimates that there are as many as 120,000 children in this country waiting to be adopted.

Most of them are black, Indian and Puerto Rican, said Ursula Gallagher, an HEW official.

Many of these hard-to-place children have physical handicaps, emotional problems, want to be adopted in a family with brothers and sisters or are considered "too old" to be placed, Miss Gallagher said.

"Eight years old and they are already over the hill as far as easy adoption" is concerned, added Emily Gardner of the New York-based Child Welfare League of America.

"In this country, we have so many couples wanting to adopt infants, or children as close to infants as possible, that they wait as long as five or six years for a child," she continued.

But an official of an adoption agency said, "People who adopt from us want white babies."

Ironically, most of the Vietnamese children who now are being accepted so readily by

Bank Aides Are Held For Italian Burglary

ROME, April 8 (UPI).—A bank clerk and a cashier were arrested last night on charges of complicity in a bank vault burglary that netted more than 500 million lire (\$800,000) in depositors' money and valuables during the Easter weekend.

The police said bank clerk Pietro Della Corte, 34, and cashier Enrico Baccetti, 46, were arrested after questioning brought to light a number of contradictions. They said the thieves apparently entered the bank on Easter eve and spent three days in the vault, cracking 50 safe-deposit boxes and taking all money put into the night deposit slot.

Guerrillas Ambush Malaysian Soldiers

KUALA LUMPUR, April 8 (UPI).—Malaysian Communists escalated their week-old offensive yesterday by killing seven soldiers and wounding 14 in two ambushes near the Thai-Malaysian border, the government announced today.

The attacks marked the biggest Communist success in terms of casualties in three years and occurred a week after attacks on five military establishments in west Malaysia with homemade rockets.

European Reds to Meet

ROME, April 8 (AP).—European Communist parties will hold a two-day meeting in Rome beginning April 19 to discuss the Continent's economy, the Italian Communist party announced.

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Subtle refinement at Lanvin

LANVIN dresses the great and famous. And, as a result, Lanvin has also become a celebrity. But our reputation is also based on the number of customers who choose to shop at Lanvin every year. If this success on the rue du Faubourg St-Honore means anything, Lanvin will always be famous.

Why Lanvin? Simply because here you will find things that are not available anywhere else. Shirts to suit your personality. Specially designed, limited edition ties which allow you to choose a pattern no one else will wear.

But you also find at Lanvin apparel traditionally regarded as less important, that even some of our regular customers think nothing of buying elsewhere. Pyjamas, for example, or underwear.

Mr. Van Hengel, master shirtmaker, suggests why: "Refinement to certain men involves that which is seen, their suits, shirts or topcoats. For others it assumes more sophistication. It has an importance beyond the impression they make on others. It is equally that sense of well-being that comes from the physical comfort and profound satisfaction of wearing a particular garment. These are the purists, the ones who know the

pleasure of complete and intimate comfort.

The example of pyjamas is important, especially because today pyjamas are often regarded as a secondary garment. Whether cut from voile, poplin or silk is a matter of taste and the season. What is important, in the picturesque phrase of one of our tailors, is "that a pair of pyjamas is 'neither a sack nor a shirt'."

By this we mean that, in addition to an elegant cut, pyjamas must allow their wearer to turn freely in his sleep. And this depends to a great extent on the care taken in the fashioning of the armholes.

At Lanvin we begin each pair of pyjamas with a paper pattern, with as much care as when we make a shirt. This aids the seamstress in making a trial model which is given to the customer to assure his comfort. If after several days - or rather several nights - he feels perfectly at ease, we have a set of three or six.

At this point you may choose from over 100 fabrics: from silk to poplins to plain, striped or checked voile. The only limits to your satisfaction are your imagination and the dictates of your personality. For subtlety few can appreciate, we harmonize the colors of your pyjamas perfectly with the lining of your dressing gown.

And the same subtle refinement is in underwear: why not order your underwear when you order your shirts, in the same fabric?

"What more can I say?" concludes Mr. Van Hengel. "Does it make sense that a man who wears custom-made shirts and suits will inevitably want an ordinary set of underwear that he can buy anywhere?"

G.L.

Lanvin, 15, Faubourg St-Honore, Paris. 265 14-40

As much care as when we make a shirt...

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Agendas posed for rgy Talks

Third World pute on Scope

John M. Goshko

April 8 (UPI)—The opening for a world conference this summer to discuss reducing and consuming began today to explore the agenda of the conference.

Yesterday's opening speeches, the delegates' preparatory meeting here today two separate for the agenda of the conference.

oposal was advanced by members of the Euro-Communist Community, with the United States, and the feeling of on and its allies that the agenda should be essentially to oil prices, and demand of energy, and the petrodollars led by the producing

rd World Proposal

oposal put forward by the Third World perched, Algeria, Saudi Arabia, and others, and its desire to conference for safeguarding oil return for producing countries and for higher world market other raw materials.

oposal also advocated a link world oil prices to of commodities imported developing lands.

nited States, in particular, was opposed to any t would turn the proposals into a broader relationship between developed and under- world. The big question whether these differences solved sufficiently to at- scale conference to take

legates also wrestled success today with the of how many countries invited to take part in the conference. The Third World, led by Algeria, want participation broadened, while the United States, which prefer a more limited

Nobel Panel Denies Ignoring rk of Student on Pulsars

CHOLM, April 8 (UPI)—The secretary of the Nobel Physics Committee denied at the committee under- the work of a British student when awarding its 1974 the discovery of pul-

ize was awarded jointly Anthony Hewish and Sir Syle of Britain. The citation the discovery of the mysterious radio in space.

mbs Set Off RA in Large e in Belfast

ST, April 8 (UPI)—An official wing of the public Army launched a bomb attack on Belfast's department store today. It was a response to Army breaches of the

the cease-fire. The store was later said to be true remained in effect. The store was in accordance with its issued last night that the IRA would for breaches of the

the army. The store was in accordance with its issued last night that the IRA would for breaches of the army. The store was in accordance with its issued last night that the IRA would for breaches of the

bombs exploded in the floor of the seven-story building in central Belfast 15 minutes after the warning. No injuries reported.

lasts touched off a fire out of control as school back because the had said that six bombs planted in the store. minutes of the explosion IRA Provisionals is- statement of their respon-

"The Belfast Brigade of h Republican Army Pro- accept responsibility for explosions in Belfast," it The British Army have to ignore our previous s."

nunion Is Denied

o-Abortionists
DIEGO, April 8 (AP)—shop of San Diego has that no Catholic be al-ommunion who "admits to membership in the l Organization for Women bortion groups.

eder from the Most Rev. her, effective this week contained in a letter sent riests in the diocese and equred reading at masses skend.



DAY IN COURT—Juan Vila Reyes, former president of Matesa, arriving at Madrid's Palace of Justice for first day of trial. He is followed by a detective.

Trial of Eight Begins in Spain In Matesa Financial Scandal

MADRID, April 8 (UPI)—Eight Spanish businessmen went on trial here today, charged with the misappropriation of 10 billion pesetas (\$179 million) in official export credits.

The case, which surfaced in 1968, has been at the center of public attention, and police today had to hold back crowds from the packed courtroom.

The trial opened with questioning by the state prosecutor of the chief defendant, Juan Vila Reyes, accused of 44 counts of fraud, bribery and falsifications, for all of which he could face 37 years in jail if found guilty.

The co-defendants are three former directors of his firm, Matesa, which exported textile machinery, and four former executives of the Industrial Credit Bank, which granted the credits. They face charges ranging from fraud to accepting bribes.

The trial was originally due to begin last July, but was postponed twice due to illness of the defendants.

There have been repeated accusations of involvement in high places. Three former cabinet ministers indicted for criminal negligence in connection with the scandal had their charges quashed by an amnesty which Generalissimo Francisco Franco declared in 1971.

According to the indictment, Matesa obtained the export loans and tax rebates for 13,450 mechanical looms which it neither manufactured nor exported. The swindle was engineered by paying bribes to officials of the Industrial Credit Bank, the indictment charged.

But a British astronomer, Sir Fred Hoyle, in a letter made public in London, written from Rice University in Houston, said pulsars were discovered by a student, Jocelyn Bell.

The follow-up investigation was guided by Prof. Hewish, her research supervisor at the Cambridge radio telescope, Sir Fred said.

"Had Miss Bell not made her discovery, it is likely that pulsars would have remained unknown, even to this day," he said, adding that three or four other observatories could have performed the follow-up work, if the discovery had been reported at the time.

Nobel Panel Criticized
Sir Fred said there had been a tendency to misunderstand the magnitude of Miss Bell's achievement and added that his criticism was directed against the Nobel project, said that his Soviet counterpart, Prof. Konstantin Bushuyev, told him in a regularly scheduled telephone call this morning that a newer version of the rocket will be used to launch the Soyuz that is to meet an Apollo in orbit.

"The professor said the failure is still being analyzed but he is not concerned that it will affect our joint program or the July 15 launch date," Mr. Lumney said in a statement prepared in Houston.

In Moscow, a NASA spokesman said that the rocket used in Saturday's launch had been "less diligently" checked out than the one that will be used in July.

Sen. William Proxmire, D-Wis., questioned whether the lives of American astronauts might be jeopardized by the joint mission. He said he has asked the CIA to prepare a safety assessment of Soviet manned space technology for the Senate Appropriations subcommittee which oversees the U.S. space budget and which Sen. Proxmire heads.

Senate Rules Panel

Recounting N.H. Votes
WASHINGTON, April 8 (AP)—The Senate Rules Committee today resumed counting 935 disputed ballots for last November's U.S. Senate contest in New Hampshire.

The contestants are former Republican Rep. Louis Wyman and Democrat John Durkin, each of whom was named winner after a recount.

The Senate refused to seat either man and assigned the Rules Committee to determine the election outcome.

U.S. Reassured By Russians on Joint Space Trip

WASHINGTON, April 8 (UPI)—A Soviet space official told the National Aeronautics and Space Administration today that an old-model rocket was used in Saturday's abortive launch of a Soyuz spaceship and that the failure was not expected to delay July's joint Russian-American space mission. The two cosmonauts were landed safely in Siberia by the Soyuz after it detached from the errant rocket.

Glynn Lumney, the U.S. technical director for the joint project, said that his Soviet counterpart, Prof. Konstantin Bushuyev, told him in a regularly scheduled telephone call this morning that a newer version of the rocket will be used to launch the Soyuz that is to meet an Apollo in orbit.

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Spain, Morocco In Clash at Sea

MADRID, April 8 (UPI)—A two-year-old Spanish-Moroccan dispute over fishing rights led to a confrontation last night between gunboats of the two countries, the Navy Ministry said today.

The three-hour incident near the Strait of Gibraltar was the result of the seizure of two Spanish trawlers by Moroccan patrol boats, the ministry said. A Spanish destroyer and a corvette were sent to free the trawlers, but could take back only one because of Moroccan threats to shoot a crew member of the other boat.

The ministry communique did not say whether shots were fired, and it did not mention casualties. Spain does not recognize a 1973 law in which Morocco extended the limits of its territorial waters to 70 nautical miles.

Carefully Picked by CIA

'Men of Good, True Grit' Said To Have Crewed Hughes Ship

By Nicholas C. Chriss and Jerry Cohen

LOS ANGELES, April 8—Hard-drinkers and oil roughnecks, all "men of good, true grit," were recruited for their reliability, expertise and patriotism to man the Glomar Explorer, the CIA ship, in its salvaging of a sunken Russian submarine.

Bimbo, Cowboy, Curley and Big John were some of the nicknames of the men selected from Alabama, Louisiana, Oklahoma, Texas, Mississippi—men familiar with drill rigs and ships.

"The man the CIA wanted didn't have exceptional intelligence but did have a great sense of loyalty to his country and his family," a source said.

"He was an expert in what he did, handling a pipe or a crane or whatever. And he knew how to stay quiet. Lots of these old boys don't talk much anyway," the source added.

"You can bet a lot of them didn't come in wearing suits. Somebody in a fancy suit might get thrown out. These were tough old boys, who could get drunk and fight like a bear."

Classroom Study
"I remember Big John sitting in a classroom at Redwood City, where we were studying up on the Geneva Convention treaty. That was so we would know what to do if the Russians decided to come aboard the Explorer."

"And Big John sitting there memorizing some part of the Geneva Convention treaty and kidding and saying, 'I'll just knock him hell out of any of those Russians who sets his foot on the ship.'"

"Of course, we were told not anything like that was to be done, and Big John knew it," the source related.

"These guys, most of them, chewed tobacco and wore cowboy boots. And they all signed documents pledging themselves to secrecy, and that's hanging over every goddamned one of us right today," he said.

The crew members hired for the mission were given 18-month contracts, which included bonuses of \$150 monthly.

But they knew the CIA treated everyone well, and they are still hoping they will get bonuses of \$5,000 or \$10,000.

Steak and Lobster
They were provided with spacious quarters on the ship, plenty of steaks and lobster tails, beer and whiskey, and a special kind of camaraderie on the part of the CIA agents, who schooled the roughneck workers, drank with them, lived with them and earned their respect.

"These men considered it an honor to be selected when they found out what we were going to do," said a source who knew most of the 140 men in the crew.

The CIA agents handled the crew members as would any good agent who sends a spy into the cold—with respect and patience.

"Everyone we met from the CIA was an expert in something, and a good guy," said the source.

The CIA is keeping in constant contact with the crew members now that the ship is docked at Long Beach, Calif.

Three weeks ago an agent dropped into a large Southern city for a meeting with an employee of the Glomar Explorer venture.

"They wanted to let us know they were around," the source said of his meeting with the young CIA agent.

Future Projects
"They want to let us know there are future projects coming up. Sometimes it seems they want to remind you that when you get hooked up with a project like this, sometimes you can't ever get untangled from it, or them."

"Some of 'em have told me maybe one of those reporters isn't a reporter, maybe he's a Russian agent," he said.

"They're worried, too, that someone may try to sell their story."

The CIA used little advertising to attract men to the job. Rather, the intelligence agency men knew enough to realize that word would spread about the

Explorer and its ostensible mission to draw off valuable mineral deposits from the ocean bottom.

They offered good money and adventure, and the mystery of being associated with Howard Hughes, the most mysterious man of all.

"Nobody was hired who had ever belonged to a union, because we didn't want union trouble," the source said. "Sometimes we advertised for specialized experts, but most of all the men came because they had heard about the job by word of mouth. In fact, I heard 95 per cent of the men who called in were not hired."

"No Jews were hired because of some possible involvement with Israel. And no blacks."

© Los Angeles Times.

Proposed New U.S. Controls On Pistols Win Some Support

By Lawrence Meyer

WASHINGTON, April 8 (UPI)—Attorney General Edward Levi's proposal to impose strict new curbs on handguns in urban areas with high or rapidly rising crime rates drew a cautious reaction yesterday from both proponents and opponents of controls.

The National Rifle Association, which claims a million members and has been one of the most powerful opponents of gun controls, said Mr. Levi's proposals "presented some interesting innovations in the most complex issues of gun-control legislation."

The proposals, which Mr. Levi made public here in a speech Sunday night, call for the prohibition of cheap handguns, known as "Saturday-night specials," or measures that would effectively tax them out of existence.

In addition, his proposals outlined a mechanism to prohibit the transport, transfer or sale of handguns or handgun ammunition in urban areas where the crime rate was either a stated percentage higher than the national average, or higher than

Moscow Makes Easter a Day Like Any Other

MOSCOW, April 8 (Reuters)—The Soviet government yesterday declared the Russian Orthodox Easter Sunday, falling on May 4, a working day throughout the country.

The government newspaper, Izvestia, said that both May 4 and May 11 would be working days to make up for production time lost over the two-day May Day holiday and the May 9 holiday marking victory over Germany in World War II.

A spokesman for the Moscow patriarchate said this would be the first time that Easter Day, the most important date in the Orthodox religious calendar, would not be a rest day.

Jacobsen Not Sure of Total He Says He Gave Connally

WASHINGTON, April 8 (UPI)—The key prosecution witness at the bribery trial of John Connally conceded under cross-examination yesterday that he was uncertain if he had given the former secretary of the Treasury \$10,000 or \$15,000 in alleged 1971 payoffs.

Jake Jacobsen, a longtime dairy-industry lawyer, testified in U.S. District Court last week that he had given Mr. Connally \$5,000 in illegal gratuities in return for Mr. Connally's help in increasing federal milk price supports.

But under cross-examination yesterday by Edward Bennett Williams, the chief defense attorney, Mr. Jacobsen confirmed that he had told investigators last year he might have given Mr. Connally a third \$5,000 payment but could not remember doing so.

"An Inkling"

Mr. Jacobsen, at the prodding of the defense attorney, verified records of the 1974 grand jury proceedings that showed he had once acknowledged "an inkling" of recollections that the Associated Milk Producers, Inc., had given him a third \$5,000 to forward to Mr. Connally.

"The only thing I don't have a firm recollection of is giving it to Connally," Mr. Jacobsen told the jury of seven women and five men.

His uncertainty on the witness

Mrs. Thatcher Endorses EEC

LONDON, April 8 (UPI)—The Conservative opposition leader, Margaret Thatcher, said today that Britain would remain a world power only if it remained in the European Economic Community.

"On our own we should have some voice [in world affairs] but not enough," she said. Mrs. Thatcher came out strongly for Britain's continued membership as Parliament began the second day of a three-day debate on the improved terms that Prime Minister Harold Wilson's Labor government has negotiated.

Mr. Wilson, faced with a split in his party over the issue, served notice on ministers yesterday that although they could speak either for or against continued membership in the coming EEC referendum campaign, they must not attack government policy in Parliament.

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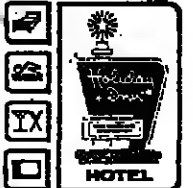
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All Madras Praying for Rains In Worst Drought in 100 Years

By Kasturi Rangan

MADRAS, India (NYT).—Brahman priests immersed in neck-deep water chant holy scriptures, Moslems congregate in thousands to say prayers. Christians attend special services.

This Bay of Bengal city of 3 million people, hit by the worst water shortage in 100 years, is praying for rain. The rains have failed for two years, so that two of the three reservoirs that feed the city are already dry and the third is nearly so.

The municipal authorities have shut down swimming pools at luxury hotels and forbidden the use of water for gardens and parks and are frantically digging wells.

With all the effort, water flows once in two days. The public

has been warned that it will have to do with even less as the summer advances.

T.V. Antony, who as the special officer of the municipal corporation bears the entire responsibility for maintaining the water supply, says he is confident that there will be no need for mass evacuation. Nonetheless, most middle-class and upper-class families are preparing to get out when schools close.

"We don't sleep in the nights," said Palamur Ramamujan, a bank official living in one of the better-served sections of the city. "The flow of water is uncertain. We have to keep a vigil the entire night."

A number of residents have fitted hand-operated pumps, and family members take turns operating them. With a 60-per-cent cut in power consumption, electric pumps are not permitted.

In most areas the underground water is not potable, with salinity a common problem. Doctors say there is a steady increase of jaundice caused by drinking unfiltered water.

A common morning scene is long rows of pots and pans laid at street taps that provide drinking water for short periods. There is scrambling and even fighting for a place in line.

Gets It at the Office

"I carry a big drum to my office and bring my drinking water requirement," said an official in the government secretariat, who can do that because he owns a car. Others walk long distances in search of drinking water.

The water problem here is typical of major Indian cities, where civic amenities have not kept pace with the population increase. The Madras population is increasing by 5 per cent a year, which means finding water resources to add 3 million gallons a day. In a normal year the requirement is 60 million gallons a day. A project to bring water from the Cauvery River, 200 miles to the south of here, is scheduled to take two years to complete.

Forty per cent of the population lives in overcrowded, poorly maintained slums. Much of the \$20-million effort to avert drought now is spent on more than 1,200 slums, with wells being dug and water tanks, to be fed by water carriers, being built.

"If the water dries up there will be riots," Mr. Antony said. "Upper-class people can go to relatives in other towns and cities, but these slum people have nowhere to go. We pray to God that the ground water may not fail us even if the rains do."

Leftists Named In Local Runoff Vote in Greece

ATHENS, April 8 (AP).—Leftist-backed candidates won the elections for mayor in Piraeus and Salonika, results showed yesterday.

Tassos Vouloumos, backed by the Socialist and Communist parties, became mayor of the port city of Piraeus with 71.6 per cent of the vote against a Center-Union party candidate.

In Salonika, Greece's second largest city, Socialist and Communist party-backed candidate Michael Papadopoulos scraped through with only 900 votes more than his Center-Union party-backed opponent.

Runoff elections between the top two candidates took place Sunday in 108 municipalities, where no ticket had won an absolute majority in the March 30 local elections. Leftist-backed mayors won in the majority of the country's 264 municipalities.

Socialist-backed candidates had already been elected as mayors in Athens, the capital, and Patras, the country's fourth largest city.

The ruling New Democracy party, which took 54.5 per cent of the vote and 220 of the parliamentary seats in general elections five months ago, refused to support any candidate. But the interior minister advised the public not to vote for leftist candidates.

Mills Stays in Clinic

LITTLE ROCK, Ark., April 8 (UPI).—Rep. William Mills, D-Ark., will stay in a Florida clinic for another month, for treatment of alcoholism, his secretary said.

3 More Dead Found in Italy In Snowslides

Rescuers Believe
Others Still Buried

BOLZANO, Italy, April 8 (UPI).—Rescue workers digging through 20 hectares of soggy snow today recovered the bodies of three West German tourists, raising to six deaths Italy's known toll in avalanches.

Police identified the bodies as those of Friedrich Reicher, 39, of Essen, his wife, Klara, 38, and their son Frank, 13, buried in their car when a snowslide came down Sunday on a road near Solida.

The bodies of a father and son from Bonn were recovered yesterday and police said that they feared three more Germans were still buried under the snow.

A few miles away a snowslide buried a peasant woman in her cottage Saturday.

"We are doing all we can, but it will be very hard to recover all bodies soon," said the Rev. Joseph Hurton, a priest and Alpine guide who is coordinating rescue work by 250 soldiers and volunteers.

"We are digging through 20 hectares of wet and compressed snow and the warm weather means there is a danger of more avalanches coming down the same path," Father Hurton said.

Snowslides cleared some mountain passes blocked over the weekend by avalanches on the Italian side of the Alps.

The road to Livigno, near the Swiss border, was reopened, permitting a delayed start of the World Winter University Games. The opening ceremony was postponed from Sunday to tonight, with competition scheduled to start tomorrow.

The Brenner highway into Austria was reopened, but the Brenner superhighway and railroad were still closed. Further east, a new slide of snow and rocks blocked the Venice-Vienna railroad near Tarvisio for the second time.

Danger Abates

GENEVA, April 8 (AP).—The danger of snowslides abated in most of Switzerland today after a weekend of avalanches that killed 14 persons and blocked north-south traffic links through the Alps.

The Swiss Avalanche Service said that while slides were still possible in parts of the eastern Alps and the central Saint Gotthard mountains, snowfalls had stopped and the new snow was settling, diminishing the danger of major new avalanches elsewhere.



EVICTED—Police in Amsterdam leading away inhabitants of barricaded houses.

Dutch Police Rout Anti-Subway Squatters

From Wire Dispatches

AMSTERDAM, April 8.—Police using tear gas, armored cars and water cannon clashed today with hundreds of stone-throwing demonstrators who tore up brick roads and wrecked parked cars in the city center.

The battle began when the police forced their way into nine barricaded houses in the shabby Nieuwmarkt district of the old town, which are due for demolition to make way for the construction of a new subway line.

They used bulldozers to clear away street barricades of old cars filled with sand and boulders placed by dozens of squatters living in the houses. Armored cars were used to smash down front doors barred

with steel sheeting and old bedsteads and the police fought their way up to the roofs of the three-story buildings through a hail of stones thrown by the squatters.

About 300 demonstrators then left the cordoned-off area in two groups and roamed through the city center. They ripped up road bricks and hurled them at parked cars. Nails were thrown on some roads.

The police dispersed the groups with tear gas and baton charges. Sixteen demonstrators and three policemen were hurt but only one arrest was made.

Under Dutch law, squatters are allowed to live free in buildings they occupy, and can subscribe to electricity, natural gas and telephone service, but they are not offered substitute housing if their dwellings are condemned.

The eviction battle and accompanying demonstration were almost identical to those of two weeks ago, when policemen cleared out the first of 40 buildings slated to be torn down for subway construction.

The demonstrations climaxed seven years of opposition between Amsterdam's city council and opponents of its 1966 decision to build a subway system here.

The subway line, Amsterdam's first, is slated to go into operation by 1977. It will extend 11 miles from the Central Railway Station to a new suburb. Two miles will be underground.

U.S. Says Urban Family of 4 Needs \$14,300 a Year to Live

WASHINGTON, April 8 (AP).—The typical urban U.S. family of four requires \$14,300 annually to maintain a moderate standard of living, the Labor Department said today. This, after the worst inflation in 28 years, is \$1,733 more than the previous year.

The same family can live at an austere level for \$9,200 or at a level allowing some luxuries for \$30,800, the government said.

The costs, calculated for fall, 1974, before taxes, rose 12.4 per cent for the austere budget, 13.5 per cent for the moderate budget and 14.2 per cent for the higher budget over the previous year.

The changes were the biggest increases in any year since the Labor Department began publishing its urban family budget in 1966.

Inflation, as measured by the consumer price index, was at a rate of 12.2 per cent last year, the highest rate since 1948. Consumer prices have risen another 2.7 per cent since last fall.

Manner of Living

The budgets do not represent how families actually spent their money, but reflect assumptions about the manner of living. They are based on a city family with a 38-year-old father who is an experienced worker, his nonworking wife, their 13-year-old son and a 9-year-old daughter.

Lower-budget families live in rental housing without air conditioning, use public transportation or drive a used car and do most of their own cooking and washing.

At the moderate level, families are assumed to have purchased their own home six years ago, drive a later-model car, buy more meat at the market and occasionally dine out. The higher budget family buys a new car every four years and can afford more household goods and services.

Total consumption costs at all three levels increased by about 11 per cent last year, mostly because of large cost increases on food, housing and transportation—which account for more than 70 per cent of total consumption.

Greater Impact

Food-price increases had a greater impact on the lower-budget family because food accounts for a larger proportion at that level. Food costs rose 13.5 per cent for the lower budget, 11.5 per cent for the moderate budget and 10.8 per cent at the higher level.

Moderate and higher budget families felt a greater impact from the rise in housing costs because housing accounts for a larger share of their expenses. Housing costs increased 8.1 per cent in the lower budget, and 11.3 and 11.7 per cent in the moderate and higher budgets, respectively.

The government estimates that living costs in metropolitan areas were 8 per cent higher than in nonmetropolitan urban areas for the lower budget; 13 per cent more for the moderate budget and 18 per cent for the higher bracket.

Small Southern towns with populations from 2,500 to 5,000 continued to be the cheapest places to live, while Anchorage, Alaska, remained the most expensive. In the continental United States, Boston and New York were the most expensive cities in which to live.

Dr. John E. Kirk, a gerontologist, dies at age of 69.

ST. LOUIS, April 8 (Reuters).—Dr. John E. Kirk, 69, an expert on old age and the aging, died of myocardial infarction at his home here yesterday. He was director of research for the Division of Gerontology at the Washington University School of Medicine here.

Born in Denmark, Dr. Kirk headed Copenhagen's health laboratories, was chief physician for three Danish hospitals and in 1940 founded the West Jutland Medical Society. He came to Washington University in 1947 and became a U.S. citizen in 1949.

In 1958, he was cited by the National Gerontological Research Foundation as an outstanding contributor to the study of old age. Dr. Kirk wrote eight books, was joint author of 10 others and published more than 200 medical and scientific articles.

Dr. John E. Kirk, A Gerontologist, Dies at Age of 69

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The Rev. John Reble

KITCHENER, Ontario, April 8 (AP).—The Rev. John Reble, 87, first full-time president of the Canada Synod of the Lutheran Church in America, died at his home yesterday.

Howard L. Worthington

WASHINGTON, April 8 (NYT).—Howard L. Worthington, 46, deputy assistant secretary of the Treasury for trade and raw materials, died of a heart attack here yesterday.

Harold Osborn

CHAMPAIGN, Ill., April 8 (UPI).—Harold Osborn, 75, an Olympic champion, died Saturday. In the 1924 Olympics, he won the gold medal in the high jump, setting an Olympic record, and a point record that stood until 1936.

Chile to Free 4,600

BONN, April 8 (UPI).—Chile intends to release about 4,600 political detainees within the next few months and allow them to stay in the country, the Chilean Embassy's charge d'affaires said here today.

Pacific Islanders Sue U.K. to Get Mined-Out Land Back, Royalties

LONDON, April 8 (UPI).—A South Seas island chief was in court here today to challenge the British government for a prize of \$3 million and an island looking "not unlike the moon."

Tebuki Rotan, 74, was beginning two lawsuits in which his 2,000 Banabans are asking for their island back.

Chief Rotan is the spokesman for the original inhabitants of Ocean Island, also called Banaba Island, a 1,500-acre speck of land in the mid-Pacific which held, at one time, one of the world's richest deposits of phosphates.

Since 1920, a British-Australian-New Zealand consortium has exploited the deposits, paying the Banabans a royalty. The islanders are suing Britain for a total \$22 million (\$83 million), claiming that the royalty was maintained too low artificially for half a century and demanding that the consortium make their island livable again.

"The worked-out areas look not unlike the moon," said attorney John MacDonald, representing the islanders, as he handed photographs to the High Court judge. Mr. MacDonald said the suits were brought "to right the wrongs of 50 years."

One of those wrongs, he said, was to move the Banabans to an island 1,600 miles away.

"They agreed to live on Rabi (an island in the Fiji group where they were resettled) only because a solemn undertaking was given by Her Majesty's government that they would be able to go back to Ocean Island and not lose any of their rights as landowners."

Now the Banabans want to go home and set up a fishing industry, Mr. MacDonald said.

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Soviet Unit in Geneva Behind Barbed Wire

GENEVA, April 8 (UPI).—The Soviet Union yesterday surrounded its diplomatic mission here with a high steel-mesh fence topped with spikes and three strands of barbed wire.

Local authorities said the mission, on the Avenue de la Paix, did not require permission to put up the fence. "We presume it is for security reasons but we have not been given any explanation," a Geneva official said.

Most Were Educated in the West

Faisal Legacy to Saudi Arabia Includes 8 Industrious Sons

By Nick Ludington

JEDDAH, Saudi Arabia, April 8 (AP).—One legacy to Saudi Arabia of King Faisal is eight working princes, his sons.

The oldest, Abdullah, about 50, is a businessman and poet; the others, all educated in the West, are scattered throughout the government and armed forces.

The careers of Faisal's offspring contrast sharply with those of the sons of his brother, the late King Saud, who was deposed in 1965 in an economic crisis. He was accused of fiscal irresponsibility and Faisal took the throne.

Most of Saudi's 50 sons are more active spending their generous royal allowances in nightclubs abroad than working in offices at home. Several are notorious playboys.

Best Known

Among Westerners, the best known of King Faisal's sons is Prince Saud, 34, a 1965 Princeton University graduate in economics. He spent eight years in the Petroleum Ministry, rising to become deputy minister in 1970, when Sheikh Ahmed Zaki Yamani was the minister. Late last month Prince Saud was named minister of state for foreign affairs.

A tall man who closely resembles his father, Prince Saud is equally at home with Western diplomats and bedouin tribesmen.

"He's attractive, intelligent and smart. He's made it on merit without the 'tribe' behind his name," a European diplomat said.

He brings to his new job, running Saudi Arabia's foreign relations, an easy sense of humor and professionalism. He will need both, diplomats said. A foreign expert said that the Foreign Ministry has been administered so haphazardly, it has virtually no files.

Tough negotiations will not be new to Prince Saud. With Sheikh Yamani and Crown Prince Fahd, he handled the Saudi bargaining which led to the kingdom's taking over the U.S.-owned Arabian American Oil Co. (Aramco).

Prince Saud has high praise for Americans as "a nice and generous people."

The Best Education

King Faisal's son Abdullah runs an asbestos factory, an oil-tanker enterprise, a contracting firm, import concessions and real estate. In addition, he writes what a Saudi newspaper editor called first-rate poetry.

Several of his poems were put to music and sung by Om Kalthoum, the Egyptian woman who was the Arab world's most famous singer until she died earlier this year.

The next brother, Prince Mohammed, graduated from Menlo College in California. He has worked in the Ministry of Agriculture since 1964 and is chief of Saudi Arabia's large network of desalination plants set up to use seawater for cities and farming.

Prince Khalid attended Princeton and Oxford University. He is governor of Saudi Arabia's "green province" of Asir, south of Jeddah in the hills along the Red Sea.

By Saudi and foreign accounts he has been energetic and competent in developing the province—the only region in Saudi Arabia with abundant greenery—and in building up essential services, including agriculture and tourism.

The Military Man

Prince Abdul Rahman graduated from the British military college, Sandhurst, in 1963 and is commander of the army tank corps. Prince Saud attended Princeton and Cambridge University. He is deputy governor of Petrobrin, the state-sponsored enterprise to exploit oil and minerals.

Prince Bandar attended Cranwell Royal Air Force College in Britain after schooling in the United States and is now an active air force officer.

Prince Turki, the youngest, attended Princeton, New York, and Georgetown University. Turki is an aide to Royal Counselor Kamal Adham, chief of Saudi intelligence.

The eight sons are far from the line of succession. Under the Saudi system, based primarily on age, a dozen or more uncles are nearer to the throne.

But at the late king's sons, because they have chosen careers

in place of luxurious tastes, according to royal councils, they are a influence the course development under the installed King Khalid of the assassinated Faisal.

Ships to C Suez Cana After 8 Y

ISMAIILIA, Egypt (AP).—The merchant ships that have been at almost eight years in the Canal will leave the w mid-May and possibly Canal authority, chair hour Ahmed Moshour, terday.

He said that the w safe for internationa would fully regain its as a major commec and would be expande to accommodate super-tankers. He als that it may be pc Israel to go to any the canal underleaved at flying a flag of convu "But that is not n ability," he said.

Israelis Barre

When President An announced two weeks he would reopen the long canal, an official was quickly issued as Israeli ships would i because Egypt is at w Jewish state.

Mr. Sadat said so that Egypt had a per right to bar Israeli ca said about a third-na but he did not say so. Other officials as will.

The stranded ships, being prepared to sail on crew, had been v as lost by Lloyds of years ago. Two of the American, four British, dity, two West Ger France, one French, one and one Czechoslovakia.

Mr. Moshour said th operations to remove lift wrecks and clear i of an estimated 750,000 and anti-personnel min were no serious accident forefingers but 15 lost their lives and 60 injured, some seriously.

He said that the problems were finding moving the obstacles, those underwater; and an Israeli-built causew of large concrete block.

Commercial Premi

Mr. Moshour disagn the view that the can never again regain strategic and commec eminance because ship learned to live without "It cuts 12 days off route and is the most e way to move goods from east or vice versa," Mr. said. "I think you great benefits to wor when the canal roop particularly in those with Mediterranean c he added.

Italian experts were saying that the turnover ports was expected to the next 10 years can be was reopened. The can the canal has cost the estimated \$15 billion, t UN figures, and Eg lost \$3.84 billion. Egypt \$250 million from the 1966, its last full year c that.

Mr. Moshour said that that's canal income w cease, but he did not know by how much bee tolls had not been fix said that British, N French, Japanese and firms had submitted a s structure that he will p the government soon. I be higher than in 1967, h

Israeli Finan Is Charged W Fraud, Briber

TEL AVIV, April 8 (UPI).—Michael Tzur, a leading financier, was charged with 14 counts of fraud, and breach of trust in total of \$30 million. He is 22 years in prison if convicted.

Mr. Tzur, a close aide of former Finance Minister Sapir, headed the Israel created in 1969 with govt backing to promote vestment and development Jewish state.

He is accused of illegal ferrying foreign-curre European banks and co owned by a friend in IJ stein, of taking bribes ordering millions of dollar of foreign goods that neve ed in Israel.

The case began develop year amid a flurry of T scandals in Israel. Mr. T arrested six weeks ago.

The Israel Corp. charge complaint against Mr. T was filed last week. It charged that he had misinfo, speculative, real est Europe through the Intern Credit Bank of Switzerland bank has closed, it says rarely because of what it totally unorthodox pres that it was in financial trouble.

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ARIS FILMS

Cocoteau's 'Enfants' Restudied

By Thomas Quinn Curtiss

PARIS, April 8 (UPI)—Yves Jean Cocoteau, a great poet, dramatist, or was he a Bohemian type who had luck to be born in Paris? The sides of the case are still red to no conclusion. But he was a dominating figure in French intellectual life for three generations. A man who could attract and hold attention. He could make his personal fantasies general. He had fashions and cults coming out of his novel, "Les Enfants Terribles," influenced young people in France and abroad. His fame is lasting. In 1930 he directed the production of youth of the 1960s, drugged, using the generation gap. What is prophesied come and gone, but the work remains.

The 1949 film version—now re-released (at the Elysees)—was shot under Cocoteau's supervision. He selected Pierre Melville (whose adaptation of Verne's "Silence de la Mer" he directed) to direct it. He chose Nicole Stéphane and Edouard Dermit in "Les Enfants Terribles," distrustful of the outside world and bent on making their cluttered bed in a temple of their illusions. The incident of the snowball in the school courtyard in which the bully Dargelos wounds brother—the opening of the film—Cocoteau had already used in his first film, "Le Sang d'un Poète." Its repetition here is

less effective, the sinister, sensuous classroom, "Tram" having been cast as a cheeky little chap. But once in the mysterious mansion, of withdrawal we are in another domain, that of genuine Cocoteau.

The drama unfolds leisurely, but it is crowded with atmospheric touches. One enters into the weird, agoraphobic existence of these iconoclastic adolescents to be charmed by their nonsense and grins and to be disturbed by their despair. Melville with Cocoteau peering over his shoulder—has not merely "followed" the book. He has reproduced it so that the film is quick with a fascination of its own. The vague duo of the original, take on shape and substance as they are played by the principals Cocoteau recruited. Thus, we have the unruly and tragic children of the novel clearly before us as they act out their destinies. The charge that the pace is too slow is idiotic. It is appropriate to a story such as this with its psychological probing and deep study of character.

There is a faint echo of Cocoteau and echoes of Edgar Allan Poe and Henry James as well in "Trompe l'Oeil" (at the Mayfair and the Saint-Germain Village), but these promising murmurings have not been orchestrated to discernible purpose. Claude d'Anna, the author-director, sets the spooky scene commendably—with Schoenberg's "La Nuit Transfigurée" as background music and with striking images to depict haunted houses.

Nicole Stéphane and Edouard Dermit in "Les Enfants Terribles," the 1949 film now being re-released.

But his scenario is so ambiguous and obscure that it becomes trying. It would lure the spectator into the subconscious of a young wife who is going insane and is tortured by delusions of persecution. What happens and what she imagines happens are never sufficiently defined, losing the audience in a maze of enigmas. Laure Dhechassal is the distressed lady and Max von Sydow, as her husband, is enraptured by her perambulations. As an art director and as a cameraman, d'Anna displays tasteful artistry, but he has neglected to dramatize his story which, in a press release, he says deals with the repressions wrought by Judeo-Christian culture.

"La Grande Bourgeoise" (at the Biarritz and the Vendôme in French, though it is of Italian origin) was inspired by the



Murri affair that held Italy aghast at the turn of the century and which destroyed the political future of an eminent Socialist, father of the killer.

In retelling it, Mauro Bolognini underlines the setback to progressive government the crime caused, but such a family scandal would have blighted any public career.

The Murri daughter married a brute, was separated from him for a while and then returned to him to be with her children. Her brother, whose affection may have been tainted with incest, it is suggested here, hated his brother-in-law and devised a

complicated plot for his murder.

The scene of 1902 Italy is picturesquely presented in handsome Technicolor. Marcel Bozzuffi as an ambitious, reactionary prosecutor gives a superb performance, and Fernando Rey conveys the implacable dignity of the martyred father. But otherwise the acting is of lower degree and a sequence in the courtroom with all of the accused weeping—the audience remains dry-eyed—is scarcely a high moment of Bolognini's directorial talents. Catherine Deneuve's characterization of the wife is chilly and Giancarlo Giannini as her hot-tempered brother overacts.

GENEVA: Janacek's 'Katya' And the Language of Opera

By David Stevens

GENEVA (UPI)—A large shipment of aid and expertise from Prague has enabled the Grand Théâtre to put on a production of Janacek's "Katya Kabanova" that was both imaginative and authentic.

Yet, among the principal performers, it was the Swedish soprano Elisabeth Söderström, in the title role of a young and passionate woman caught in a tragic and oppressive family situation, who most succeeded in transcending the fact that the opera was being sung in a language that most of the (by no means sold-out) house could not understand. She sang radiantly and acted with a restrained desperation that made her suicide seem inevitable, and in any case she is one of those rare artists who seem always to get inside their roles.

This raises the insoluble question of language in opera. Jean-Claude Riber, the theater's director, takes advantage of Switzerland's bilingual status and Geneva's international public to follow a strictly original-language policy. In addition to the obvious French, Italian and German, this season has offered works in Russian (by the Zagreb Opera) and the Czech of this production.

Janacek complicates the problem, for his music is based squarely on the special rhythms and inflections of the Czech language,

while his texts—especially the realistic ones like "Katya"—are intended to be comprehensible and cry out to be understood. The evidence is hardly conclusive, but the popular success of the French-language production of "Jenufa" in Lyons earlier this season made a striking contrast with the superior but ill-attended one of "Katya" here.

On the other hand, one wonders how often Prague's National Theater casts "Katya Kabanova" this strongly. Nadezhda Kalypova, although more exterior in her interpretation, made a powerful opposite pole to Söderström's Katya, singing the grimly dominating mother-in-law with stunning force. The veteran Karel Berman was colorful as the drunken Dikoi, Jiri Zahradnick a suitably weak Tikhon, Ivo Zidek a stalwart lover as Boris, and Lya Veron appealing as Barbara, Katya's confidant.

Josef Svoboda's projections created a flexible scenic setting, solid walls dissolving to show comings and goings on the outside and symbolically reinforcing Kabanova's oppressive presence even in her absence. Vaclav Kaslik's staging was sensitive to the work's realism (it is based on Ostrovsky's "The Storm"), and Jaroslav Krombholc drew idiomatic musical support from the Suisse Romande Orchestra.

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FRENCH FASHIONS

Saint Laurent in a Classic Mood

By Bernadine Morris

PARIS, April 8 (UPI)—Yves Saint Laurent fluctuates between iconoclast and classicist. In his classic phase now 1 his clothes are a pleasure to hold.

No straining for effects. No nodding in an ethnic morass. It's nice, clean, casual clothes keep a woman looking calm and controlled as she moves through the anxieties of modern living. No small achievement, at this ready-to-wear for next fall not going to make obsolete any of his things: his fans already n, not even pants. He simply rearranges the Donegal tweeds, jets, corduroy, poplin and pe de chine he always uses. Favorite shapes include the last-length belted jacket, slung down rather than bloused, a hip-length jacket pulled in at a drawstring at the waist. His pea jackets continue, probably ad infinitum. And copious cape stoles to wind themselves up in as well as blanket scarves to wrap around eaters. They are even striped e blankets.

Colors are somber, as they are at places here—there is even obligatory gray sequins. But a gray is nicely blended, the socks are perked up with red cents—boots, gloves or mitts—and the effect is not very pressing.

The velvet and corduroy parades look fine in day clothes, zen in combination with tweed. Almost everything mentioned so far can be applied to both men and women. In keeping with the men's trend, Saint Laurent also owns his men's clothes alongside e women's things. From the aspects, which he approves of, artly, to the battle jackets, the me trends prevail.

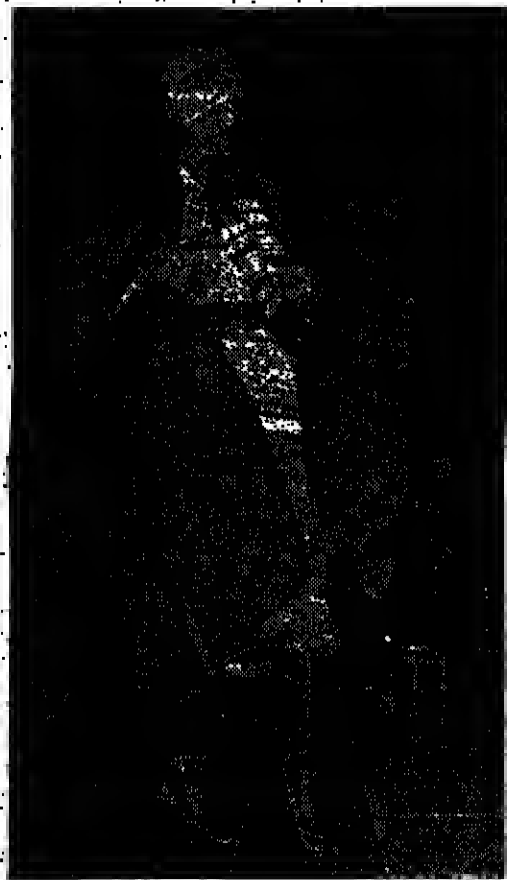
This is also true of the double-breasted suits which the men wear when they are not in eaters. He shows double-breasted tailored suits for women o. Nobody said he was perfect. The only other time he falters bit is with his evening things. 1, there is nothing smug about e long knitted skirts, topped t simple bright colored eaters and flowered shawls. ad the parachute pants, tied at e ankles, could pass muster.

But the majority of the evening dresses are the drapery sort of yle Grès is famous for. Some ark, some don't. The backless es with the gold kid halter ound the neck and the absence sides don't. The softly gathered scooped neck ones do. "Well, u can't win them all."

A trend which is apparently 1 obsession with some designers : the moment is a passion for e Orient. Christian Dior keeps under control with quilt-lined tton jackets that fasten across e shoulder and have stand- e collars. And there is a per- etly handsome white Chinese ouse that is part of a black ivet suit.

But Marc Bohan, who designs e boutique collection, and hilippe Guitbourge, who does the as-expensive Miss Dior clothes, th have other things on their nds. Pretty, soft dresses whose avor is all Occidental and un- nstructed suits and coats, for ample.

For Kenzo Takada, who is e responsible for the JAP collection, e obsession is total.



A new version of the Saint Laurent cape in gray flannel, over a gray and white sweater, straight skirt.

Of course, he's entitled, being Japanese. But aren't the Japanese turning to Western dress?

Well, his fall collection is totally Oriental, from the mountains of Katmandu to the outer reaches of Mongolia, with pauses at the old Chinese imperial court. There are those who claim it will be influential.

There are also those who describe the collection as "fashion as found objects" and insist it already exists in your neighborhood Chinese shop.

This isn't exactly fair, since Kenzo has a flair, and his button or wrap skirts which anchor at the hip line seem to be his

own invention. So is his use of knitted knee warmers as ankle warmers, and certainly his employment of a knitted stocking as a cap, with the foot hanging down the back, like a pigtail.

Emmanuelle Khanh had her moments of levity also. Mostly they involved an underarm bag made in the shape of a Scotch terrier—a recognizable Scotch terrier—and some of the highest, skinniest stiletto heels known to man.

For the rest, she showed pretty Gibson girl shirts and had a predilection for collars; neither reprehensible.

The Mexican Dressmaker

Manuel Mendez

will show for the first time in France his high-quality collection of model dresses autumn-winter 1975/76, designed by him, embroidered and fashioned by the craftsmen of the Isthmus of Tehuantepec.

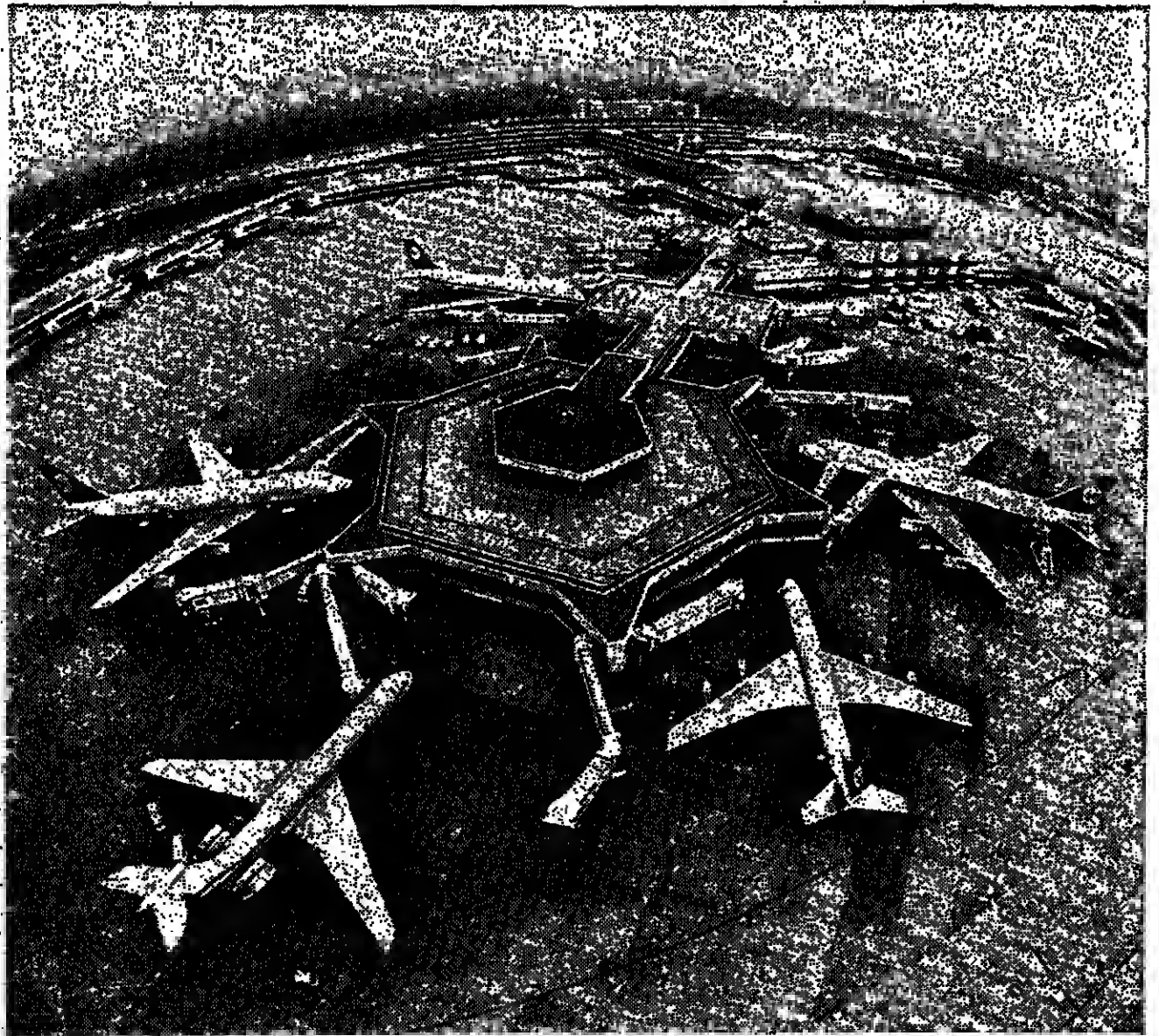
Showing Thursday, April 10, 1975, at 7:30 p.m. in the Salon d'Orsay at the Paris Hilton Hotel, 18 Avenue de Suffren, 75007-Paris.

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Energy or All Resources?

The preliminary conference assembled in Paris to discuss a top-level meeting on relations between consumers and producers is faced, as was to be expected, with the question of whether the eventual meeting is to deal with oil consumers and oil producers, or with the whole problem of how the world's diminishing supply of natural wealth is to be distributed. It is fairly obvious that any discussion of oil must have ramifications into other aspects of international trade; it is equally apparent that if all the complex issues involved in raw materials vs. manufactured goods and developed nations vs. the developing are scattered before a large assemblage of delegates, there will be more confusion than progress.

The industrial revolution began with two basic materials that are distributed widely throughout most of the world: coal and iron. Exchange of foodstuffs was, originally, largely confined to the shipment of cereals. But many substances go into today's advanced technologies and refrigeration has made possible the mass export of fruits and meat. Economies which were once largely autonomous have become interdependent; products which once had to be consumed on the spot, or were considered irrelevant, have opened up vast markets and new sources of supply.

The breakdown of the autonomous economies has been widespread; agriculture and

mining demand sophisticated tools, and those who make those tools need what the farms and mines give forth. To establish some kind of equity in these relationships is vital for a peaceful and orderly world; to recognize that natural resources are limited and increasingly needed by expanding populations is vital for human survival.

In all of the complex machinery that has been set up for the exchange of goods and services around the world, petroleum is the present lubricant. The recent oil crisis and the present oil prices do not present problems for the industrialized world alone, as Brazil's representative in Paris pointed out. This means that the question of an equitable price arrangement cannot be confined to oil alone—but it also indicates that oil does have a definite priority.

In Paris it should be possible to work out an agenda which, while concentrating on oil, would recognize the implications of any agreement in that respect upon other products. On such a basis, similar discussions could take place in other areas.

There is nothing simple about this task, no clear dichotomy between one side and another, no sharp delineation of the needs of the Third World and those of the other two. But unless the globe is to relapse into a congeries of warring and starving tribes, the job has to be tackled with will, intelligence and a sense of community.

More Than Orphans

Debate over the extent of American military and political commitment in Vietnam is being overtaken by realities over which the United States has no control; but past commitments are irrelevant to the nation's moral obligation to heal the ravages of war, fear and homelessness. The question now is only how to translate that obligation into effective policy.

It would be worse than ironic—it would be tragic—if American military miscalculations in Indochina were now to be followed by a misconceived humanitarian strategy degenerating into a misapplied exercise in public relations.

A case in point is the exaggerated importance assigned by President Ford to the orphans' airlift. The genuine goodwill of American families who have embraced these youngsters deserves admiration; but the government's transparent use of this touching venture has succeeded only in diverting attention from the staggering problems of the millions of displaced of all ages.

The overwhelming need now is to provide food, medical aid and shelter for the homeless on either side of the fluid and often ineffective lines of authority. Even that urgent interim life-saving mission, however, should be only a prelude to efforts to return the majority of refugees to permanent

homes. International aid and supervision in this process could do much to protect the nonpolitical masses from becoming pawns of political manipulation, coercion and terror.

At the same time, the United States clearly has an obligation to open its gates to South Vietnamese of all ages—not merely some 1,400 orphans—who wish to resettle here. There should be no need to recite the American tradition of providing asylum for those who fear political persecution. In its most recent application, over much domestic obstructionism, the United States finally admitted some 400,000 displaced persons in the wake of World War II.

The challenge to President Ford now is to move quickly to create the emergency machinery—together with voluntary organizations and in concert with foreign governments—to meet the needs of the homeless, the sick and the hungry on their home ground; and to admit to the United States those who despair of a safe future in their own country.

Sentimental preoccupations with a few planeloads of orphans are hardly adequate to the demands of the moment. The only remaining American battle in Vietnam involves an all-out attack on human misery.

THE NEW YORK TIMES

Myopia in Nigeria

The International Press Institute has shifted its 1975 assembly from Lagos to Zurich because Nigeria refused to admit white South African journalists scheduled to attend the affair. Nigeria says it was obligated in the matter by an Organization of African Unity policy to ostracize South Africa from international meetings.

Yet five black African heads of government have received South Africa's white prime minister, John Vorster, within the last seven months; and President Kaunda of Zambia, whose bonafides as an African nationalist and foe of apartheid are impeccable, is in frequent contact with Mr. Vorster in an effort to resolve peacefully the major problems of southern Africa.

Nigeria's intransigence may earn Lagos some points with more militant black African governments, none of which allows the

measure of press freedom still obtaining in South Africa. But it will not upset Mr. Vorster. What it has done is proffer a totally unwarranted slap in the face to some of the bravest and best South African journalists in the business, who, fortunately, are maintaining the kind of contact with their IPI colleagues, black as well as white, that encourages them to persevere in the fight against apartheid. It is Nigeria's loss, not theirs, that they will now be attending the IPI sessions in Zurich instead of Lagos.

In somewhat comparable circumstances, the Israeli government upheld IPI standards and declared that Arab members would be welcome at the 1973 assembly in Jerusalem. Too bad that Nigeria failed a comparable test for freedom and tolerance.

THE NEW YORK TIMES

International Opinion

The Children

No effort should be spared to help Vietnam's pitiable and endangered children. But adopting children and transferring them to another country and the difficulties of a new climate, alien food and an unknown language is not something to be taken on lightly. It is a solemn commitment lasting decades. The government of South Vietnam may be criticized for dropping the administrative gate on letting orphans out. But this action may also give a convenient pause for thought. President Thieu's control may be crumbling, but have other countries, although moved by good intentions and humanitarianism, the right to say that the Vietnamese have lost the capacity to say what should happen to their children.

—From the Guardian (London).

NATO Summit

Summit meetings are not always successful and it is a truism that they need to be carefully prepared. Yet the suggestion by Mr. James Callaghan, the British Foreign Secretary, that the meeting of the NATO ministers due at the end of May should be held at summit level is a good one and ought to be accepted. If it comes off it will be almost a year since the last such meeting, itself an unusual event. To see the need for it, one has only to look at how much has changed since then. The world has changed both within and around the alliance and it is time for consultations on the new order.

—From the Financial Times (London).

In the International Edition

Seventy-Five Years Ago

WASHINGTON—There is no information from Mr. Conger, the U.S. Minister to China, relative to the report that he has united with the representatives of other powers in joint representations to the Peking authorities. The Secretary of State, Mr. Bay, states that Mr. Conger was instructed to act independently, and to take all the precautions necessary to insure the protection of American missionaries and American interests in China.

Fifty Years Ago

NEW YORK—Europe will soon see one of the world's most famous cowboys and six-shooters. Tom Mix, hero of a thousand-and-one film dramas of the West at its wildest and wildest, left today on the Aquitana. Nothing is lacking in Tom's equipment. His favorite horse, Tony, which he can mount in a single leap, is also aboard in special accommodations. So European fans will see the cowboy just as he looks performing his antics on the screen.



Mirror, Mirror on the Wall

By C. L. Sulzberger

BRUSSELS—The American abroad cannot help but be astounded by indications, as reported in both spoken and written media, of a lack of U.S. awareness that the free world situation has become rapidly more critical in the wake of our own failures and a simultaneous surge of self-confidence in the Communist camp.

I discussed this at length with one of West Europe's handful of leading statesmen, a personage of great importance who knows the players on the present international stage. He doesn't wish to be identified for the simple reason that he considers it a most inopportune moment for a "faithful ally" to criticize U.S. policy.

"But," he adds, "I don't mind saying I am extremely preoccupied. I always thought Kissinger's policy in the Middle East was not effective and didn't conform to the requirements of a great power. It did not recognize the inevitability of history; and one should never oppose history. As for Indochina, that is a lamentable disaster."

"Undoubtedly the United States has a certain responsibility. I don't know what Nixon would have done at this moment had he remained in power but, in foreign affairs, he knew what he was doing as president. Since his departure there has been a slide in the U.S. toward a parliamentary regime. But it is necessary for a government to have its executive manage policy and make decisions."

"Moreover, I am very disturbed to see right now the simultaneous development of a strong Communist offensive everywhere. This is becoming more and more generalized. Today we see its actions in Indochina, Portugal and the Middle East. Tomorrow it will be in Yugoslavia, Italy and maybe France."

"Against this all we find is a U.S. policy that fails to adapt itself to reality—even on the scale of Western Europe. We need an independent Europe which can stand on its own feet and cooperate with the United States. But things are going from bad to worse. And your country seems to be suffering from intellectual disintegration."

"I can tell you the Russians are very impressed by this faltering of your willpower. Personally, I am persuaded that Russia and China will get together—after Mao's death. Then we will have a Soviet empire—the last empire existing—allied to the vastness of China."

"When all that happens we will be in a very, very bad position. Our capacity to maintain liberal regimes while opposing those powers with their enormous ability to manage their affairs—well, all I can say is it's most uncertain. Right now Europe and the U.S. are turning their backs on these facts. The degeneration of the United States in a psychological and moral sense is awful."

"There is a vast reversal in U.S. influence just when Russian influence is rising everywhere, based on an efficient management system. Normally one can never see a historical era until 50 years later and I am not bright enough to see it when it starts. But we are witnessing the collapse of Western civilization. First Europe went. Now the time of the United States begins."

I will call the source of these expressions "Mr. X," because I promised him anonymity if he would comment in a forthright fashion on the fate of all of us. He feels it would be improper to risk making things more difficult for Washington by associating his own distinguished name with such gloomy opinions.

Yet, at the same time, he was dismayed at hints of a certain polyanthropy tendency as expressed in America, a desire to brush things under the rug or to smooth them in unrealistic platitudes. There is not the faintest doubt in this part of the world about the seriousness of the present situation and the required pessimism that should mark contemporary analysis if it is to reflect factual truth.

It is not pleasurable to report such views—especially when their precise origin must be camouflaged, as explained above. Yet it is surely desirable that the American people start reflecting in an atmosphere of blunt, cold reality.

Only when the British people, in 1940, reacted in a similar way were they able to assume a position of leadership that ultimately led them and the rest of the earth out of a slough of utter despair. Today we threaten to become engulfed in the same slough before we even know it.

Vietnam: Eternal Dishonor?

By Rowland Evans and Robert Novak

WASHINGTON—On Monday morning, a top-level Pentagon official went to hear the television news quoting Gen. George Brown from Indonesia on possible renewed U.S. military intervention in Vietnam—his horror pointing up the impossible dilemma facing President Ford and darkening this nation's future.

The Defense Department civilian immediately placed a transoceanic telephone call to Gen. Brown, chairman of the Joint Chiefs of Staff, in Jakarta. Brown protested he had been slightly misquoted. However, he did concede saying that renewed U.S. bombing was an option to consider. Since Mr. Ford on March 6 ruled out any return of U.S. military force to Indochina, Brown's explanation did not greatly reassure the Pentagon official.

But this was not just another blunder by the general. It reflects widespread feeling among senior U.S. military officers that a bombing bluff might at least slow down the Hanoi Politburo's plans to swallow South Vietnam. That, in turn, reflects the pessimism engulfing the national security establishment here over Vietnam—particularly since Gen. Frederick Weyand, Army chief of staff, and other officials had a firsthand look.

There is no realistic hope that South Vietnam can survive the invading hordes from the North. The attempt to give Hanoi pause by talk of renewed bombing is intended not to save the country but merely win enough time to evacuate hundreds of thousands of South Vietnamese doomed to death or imprisonment by the Communist take-over.

Whatever its purpose, high officials here view any threat of bombing as futile—its credibility doomed by public and congressional opposition. Thus, having assured the victory of the North Vietnamese military juggernaut

by reneging on its commitments, the United States may now be guilty of a final betrayal in leaving its South Vietnamese friends to their doom.

The hopelessness of the situation was brought home last week to Gen. Weyand's traveling party, stunned by the deterioration of South Vietnamese leadership. They were told by the people of Saigon, from politicians to the man in the street, that fresh leadership must be exerted with the newly reclusive President Nguyen Van Thieu shoved into the background.

The unanimous choice to lead is Lt. Gen. Ngo Quang Truong, considered not only the finest troop commander in the South Vietnamese Army (ARVN) but one of the best in the world. Yet, symbolizing the despair in Saigon, Truong is now hospitalized there with temporary exhaustion following disintegration of his entire army corps in the north.

In truth, however, even revitalized leadership would face impossible odds, thanks to the disastrous ARVN retreat combined with the flood southward of North Vietnam's strategic reserves (contradicting the notion of a "civil war"). ARVN combat effectiveness has been halved, from 108,000 to 54,000; Communist main force strength is 225,000 and growing. Lavishly supplied with Soviet tanks and heavy artillery, the North Vietnamese firepower advantage is awesome.

With some of ARVN's best divisions having panicked in the north, there is no certainty that the south will stand and fight. The 7th and 9th Divisions, the best ARVN units in the Mekong Delta, have been fighting mostly Viet Cong guerrillas; now they must encounter much North Vietnamese regular divisions, which have pulled away from Tay Ninh and

are moving into the delta to complete the final envelopment of Saigon.

Realistically, the remaining question in South Vietnam is who shall leave. At least 5 to 6 million probably want to escape Communist rule. By limiting the figure to ARVN officers, government officials and their families, the figure still exceeds one million. Even a draconian paring to those Vietnamese certain to face Communist repression—employees of the U.S. government, those who worked with the CIA and high officials of the Saigon regime—would total 150,000.

One means to evacuation would be negotiation with Hanoi, but nobody here believes the Politburo would agree to any such exodus. The other option: force or the threat of force by Washington.

That has produced brainstorming here about landing U.S. Marines and warning Hanoi of renewed bombing to permit breathing space and time for evacuation—brainstorming reflected by Gen. Brown in Jakarta. But, the reality, recognized by high officials, is that no credible threat can be made in today's American political climate. Thus, the prospect is not only a Communist take-over but abandonment by the United States of all but a handful of millions of Vietnamese who placed their faith in this country.

Military expert Sir Robert Thompson stopped in Washington six weeks ago on his way home to London from Vietnam while public and congressional opinion loudly denounced permanent U.S. commitments in Indochina. "Eternal dishonor," commented Sir Robert, "is a permanent commitment."

That will be a heavy load for Americans to bear in the years ahead.

John Dornberg From Munich:

The 'pigsty' issue has been making headline news for almost a fortnight and reflects the heightened political tone that has characterized the political debate in West Germany.

MUNICH—Is West Germany a "pigsty"? More specifically, did Bavaria's blunt-speaking Franz-Josef Strauss really call it one or not? That question is scheduled for formal resolution on Friday in a Bonn civil court where ex-Chancellor Willy Brandt, the chairman of the Social Democratic party, and Strauss, leader of the opposition Christian Democratic semiautonomous Bavarian wing, will present arguments and evidence in the matter.

Although the court, as he bores a presumably dispassionate and impartial judicial tribunal, is expected to deal largely with the semantics of this unusual case, the "pigsty" matter has brought political juices here to a lively boil.

At issue, ostensibly, is a passage from Strauss' Feb. 27 Wednesday speech in the town of Passau during which he landed the Christian Democratic-Christian Social Union's (CDU-CSU) recent triumph in a series of state elections, attributing these in part to the ineptitude of the Social Democrat-Free Democrat (SPD-FDP) government.

"We would never have achieved those electoral results through our own efforts alone," he said ironically. "In the voters' minds our own political accomplishments were reinforced by the striking failure of those who set out promising to reform Germany but created a pigsty that has no parallel."

Brandt, pronounced on the remark to discredit Strauss as a ruthless, ambitious politician who stoops not only to defamation and mudslinging, but even to equating the nation as a whole with a pigsty.

Strauss went to court, insisting it was not the country but its economic and political malaise, caused by the SPD-FDP government's bungling and mismanagement, which he was describing.

He obtained a temporary injunction that prohibited Brandt, under penalty of a 500,000-mark (about \$210,000) fine and six months' imprisonment, from repeating the remark that "Strauss called Germany a pigsty."

While there appears to be no dispute over what Strauss actually said, the court on Friday will have to decide what it was he meant or intended to say, before ruling on whether to uphold or dismiss the injunction. Meanwhile, the "pigsty" issue has been making headline news for almost a fortnight and reflects the heightened polemical tone that has characterized the political debate in West Germany in recent weeks.

Christian Democratic leaders, such as the Bavarian CSU's Edmund Stoiber, are accusing the SPD-FDP coalition of conducting a "bait and hysteria" campaign. Another CDU/CSU representative has charged the coalition with waging "psychological warfare" and using propaganda methods "clearly reminiscent" of Marxism-Leninism and Nazism.

SPD spokesmen are publicly questioning Strauss' right to hold public office. Expressions such as "fascist," "bolshhevik," "agitator," "demagogue," "landowner," "manipulator" and "popular frontist" have become commonplace and are being tossed back and forth between prominent politicians with seemingly total abandon.

A good deal of this acrimonious political climate is attributable to the intensity of the campaign in the series of state elections which began with the voting in West Berlin on March 2 and will last until the most crucial contest of all, in North Rhine-Westphalia, on May 4.

Election campaigns, wherever they take place, are not notable for the dignity of their oratory. But there is more to it than that. In a deeper sense, the "pigsty" issue goes to the heart of a question that West Germans are finding increasingly complex and philosophically perplexing.

What is the appropriate role of the opposition in a democracy? How "loyal" should it be, how constructive and dignified its criticism of the government and parties in power?

The opposition's role can be to improve the government but to replace it," he wrote the weekly Die Zeit. "That outrages it to thrive on the government's mistakes and to a crime to the government but takes it knows it would make love to it in power."

The question then is one of tone and style which, until the rules of the democratic game are more deeply ingrained, will probably remain shrill and polemical.

At least until the last of these elections on May 4.

PARIS, WEDNESDAY, APRIL 9, 1975

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nan Bank s to Limit ing Rights Would Prevent ake-Over Effort

James Furlong

FURT, April 8 (AP-DJ).—The West German bank proposed to limit voting rights of any holder to 5 per cent, no large his holding.

man said the proposal to the annual meeting a "precautionary measure to assure that the bank is independent and not controlled by small shareholders."

Bank's management man is Franz Ulrich, is supervisory board of Mannesmann, the machine producer shareholder approval need to limit voting plan.

to close to Deutsche the bank, apparently man, does not have need to limit voting manesmann shares had rely on what market id was Mideast buying.

man said Deutsche only has 168,000 shares, never has had a large der in its 104-year his- present, no stockowner uch as 5 per cent, the

Investment first be- cause last November, it purchased 14.5 per cent of shares from the group. Last January, Bank purchased a 29- stake in Deimle-Benz Flick group to keep the per-cent share in Daim- going to the Shah of Guehofnungshueten, also in January, to foreign interests from rights issue to enlarge in the company.

Bank itself also an- plans today to make a ering.

ore to raise its nominal pital by 150 million marks to 900 million bank will seek share- roval to offer one new a price of 175 DM in each four shares cur- d.

Keen Profit 34 Per Cent

N, April 8 (AP-DJ).—N & Nettelfolds Ltd. orded a profit increase of 34.3 per cent and an- plans to raise about 10 million through an issue of hare for every five held of 175 pence a share.

ustrial equipment and producer said profits 88 million last year, up 3 million in 1973, while to £11.4 billion from 11.0.

pany set a final divi- 6.85622 pence a share, total of 10.69722 pence.

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Workers at Volkswagen Audi-NSU plant in Neckarsulm staged two-hour protest strike Tuesday following rumors that many of the factory's 10,000 employees will be laid off as a cost-cutting measure. Banner in center reads 'Audi must stay in Neckarsulm!'

Decline in March Is First in Eight Months

West German Jobless Rate Drops to 4.9%

From Wire Dispatches
PARIS, April 8.—The number of unemployed in West Germany fell in March for the first time in eight months, the Federal Labor Office reported today.

A total of 1,114,000 persons—4.9 per cent of the work force—were without jobs last month, compared with 1,182,500, or 5.2 per cent, in February, the office said.

In March, 1974 the German jobless rate was 2.6 per cent. Other signs of an upturn for employment came in the number of workers on short time, which dropped by 143,100 to 813,400 and the number of jobs offered, which rose to 260,600 in March from 246,300 in February.

March was the first month since June last year that the number of unemployed dropped on a month-to-month basis.

In Bonn, government spokes- man Armin Gruenewald hailed the long-awaited decline in unemployment from the 16-year peak registered in February as a success for the program, the government introduced late last year, to pull the economy out of a slump.

The program of tax reductions, a special investment bonus and other measures are designed to pump more money into the economy, stimulate domestic demand and encourage creation of more job openings.

Mr. Gruenewald noted in a radio interview that domestic orders for investment goods have increased at a monthly average of 9.6 per cent since December, 1974, compared with the same period a year previously.

Once the increased orders are

converted into higher productivity figures and finally into higher industrial turnover, the resulting "snow-ball effect" will counter unemployment by producing an economic upswing, he said.

In Brussels, the National Labor Office reported that 8 per cent of the Belgian work force of about 2.6 million, or 158,000 men and women, were without a job at the end of March 1975, the National Labor Office reported today.

This represents an increase of 17 per cent from February and an increase of 62.4 per cent, or

about 60,000 more unemployed, by comparison with March 1974.

Meanwhile the number of unemployed in the Netherlands dropped by more than 9,000 in March but the drop was smaller than usual for the season, the Social Affairs Ministry announced today.

It said that, consequently, the seasonally-adjusted unemployment figure rose sharply in March.

The number of jobless was 199,860, a drop of 9,420 compared with the end of February, but the adjusted figure rose by 12,400 to 188,500.

Some U.S. Firms Cut Debt-Loss Funds

By Charles Elia

NEW YORK, April 8 (AP-DJ).—The severe recession is causing uneasiness among people who are owed money, since some debtors will simply not be able to pay their bills. There is evidence of worry about possible losses in the U.S. banking system, where reserves for loan losses are getting rather large injections.

Citicorp, for example, reported higher earnings yesterday for the first quarter, but also said it had set aside \$72.2 million in the period for possible loan losses. That was \$71.9 million more than actual write-offs of \$44.3 million but the provision itself was nearly as large as operating net of \$66.3 million.

Banks and bank holding companies are different from industrial companies, of course, but industrial concerns are not immune to losses on money owed to them.

In the uncertain climate of recession, manufacturing companies also might be expected to worry a bit more over doubtful accounts. Many do, and they ease their worries by increasing, on their balance sheets, the allowances made for accounts and notes that might become uncollectible.

But increasing the dollar amounts of these allowances is not always as visionary as it appears. When receivables and notes payable increase sharply, as they did last year for many corporations, the risk of loss can increase if the bad-debt allowances are not commensurately as big as the growth in receivables.

That seems to be what happened in a surprisingly large proportion of major corporations in 1974, according to an analysis of financial statements in annual reports issued over the past two months.

The analysis was done by

Patrick Regan, a special-studies analyst at Merrill Lynch, Pierce, Fenner & Smith. He examined 100 annual reports. His findings: nearly one-third of the companies actually reduced their bad-debt allowances as a percentage of accounts and notes receivable.

"This trend is disturbing," Mr. Regan says. "In the midst of the worst recession in four decades, we would expect companies to increase, rather than decrease, reserves for uncollectible accounts."

For 25 of the 30 companies, there was a small but notable side effect. Because their allowances for bad debts were smaller than a year earlier, in percentage terms, earnings received an added fillip. Per-share earnings of the 25 companies were increased by anything from a penny or two to as much as nine cents.

"A few firms, such as Xerox and U.S. Steel, actually reduced the absolute level of allowances in the face of strong growth of receivables," Mr. Regan says.

A check of the annual reports shows Xerox receivables increased to \$616 million from \$524 million a year earlier, but allowances for doubtful accounts were reduced to \$27.3 million from \$30.2 million.

U.S. Steel, the annual report shows, receivables at the end of 1974 soared to \$1.02 billion from \$795 million in 1973 but bad-debt allowances dropped to \$8 million from \$10.7 million.

In the case of Xerox, Mr. Regan estimates the allowance reduction

Russian Bank Eyes Credit On Euromart

Medium-Term Market
Seen Set for Revival

By William F. Low

LONDON, April 8 (DIT).—The Soviet Union's Foreign Trade Bank is trying to raise \$200 million from the international banking community, sources reported today. The Russian loan is one of several that mark a revival of activity in the medium-term Eurocredit market.

The Soviet credit has a final maturity of five years and reportedly carries an effective margin above the prevailing London Eurodollar interbank rate of 1 1/4 per cent. Although this spread is higher than the Russians have been accustomed to pay, it reflects the change in market conditions rather than a deterioration in the creditworthiness of the borrower, London bankers explain.

Late last year, the Soviet bank arranged a \$100-million loan for five years at a one-point spread.

International bankers express confidence that the Eurocredit market—where over \$25 billion was raised last year—is gearing itself for renewed expansion after several months of relative inactivity. In addition to the Soviet credit, loans totaling around \$1 billion are being syndicated on behalf of borrowers from Poland, Zambia, Colombia, Brazil and Mexico. Apart from new financing, it is estimated that around \$8 billion of existing credits are due for repayment this year.

During the first quarter of this year, \$3 billion of medium term, syndicated Eurocurrency bank credits were arranged, according to International Insider, a weekly report on the Euromarkets. This compares with a 1974 first-quarter figure of \$1.13 billion, a decline due to the reluctance of many banks to enter into new commitments rather than an overall downturn in demand by borrowers.

helped 1974 net profit by five cents a share, while in U.S. Steel's case it helped profit by six cents.

The benefit to earnings was as much as nine cents a share at American Can, Mr. Regan estimates. The company's annual report shows receivables rising to \$300 million from \$256 million but the allowance was about the same—\$15.5 million—in 1974 and 1973.

Most of the companies Mr. Regan examined are still setting aside what he considers "relatively generous" reserves of \$3 to \$6 per \$100 of accounts receivable. He says the only companies in the group with bad-debt allowances of less than \$1.50 per \$100 of receivables are OPG International, (\$1.49), R. R. Donnelley (\$1.38), T. C. Co. (\$1.23), Timken (\$1.15) and U.S. Steel (78 cents).

"On an industry basis, most of the machinery companies, including Bucyrus Erie, Clark Equipment, Dresser, Gardner-Denver, Ingersoll Rand, International Harvester and Joy Manufacturing, are reducing the allowance for bad debts as a per cent of accounts receivable," Mr. Regan says. "The same is true of major steel and office equipment companies."

In addition to Xerox, Burroughs and NCR reduced their percentage of reserves but International Business Machines increased its reserve from 3.59 to 4.55 per cent of receivables, he says.

Mr. Regan says he finds the trend disturbing "from the standpoint of conservative accounting principles, corporate liquidity and prudence during a difficult economic period."

Fiat, KHD Set Up Firm In Truck-Making Link

BRUSSELS, April 8 (AP-DJ).—The new holding company for the commercial vehicles activities of Fiat SpA, of Italy, and Klockner-Humboldt-Deutz AG (KHD), of West Germany, has been established in the Netherlands at a par value stock capital of 1 billion guilders (\$417 million). Umberto Agnelli, Fiat managing director and chairman of the new holding unit, disclosed today.

The holding, called Industrial Vehicles Corp. (Iveco), will be headquartered in Amsterdam "because we didn't want to set it up in either Italy France or Germany," Mr. Agnelli told Iveco's first press conference. Fiat holds 80 per cent of Iveco's stock, KHD 20 per cent.

The conference was held only hours after the Common Market commission approved the merger of Fiat's and KHD's commercial vehicles activities, holding that such a merger did not violate EEC competition or anti-trust regulations.

Mr. Agnelli did not explain why Iveco was provided with such a relatively high stock capital but said it was ample and would not require any increase in the foreseeable future.

Iveco's major pillars will be Fiat's commercial vehicles plants in Italy and France as well as KHD's truck-making affiliate Magirus-Deutz AG, in Ulm, West Germany.

In 1974, Fiat and KHD units now belonging to Iveco produced 110,000 trucks and buses.

Mr. Agnelli said trucks and buses made by Iveco units will continue to sell under their old names and that distribution networks between Fiat's vehicles with water-cooled engines and Magirus-Deutz trucks with air-cooled diesel power plants will remain separate.

Mr. Agnelli said there would be a gradual integration of Iveco units on the level of research, development, production and distribution to the extent that this appeared feasible.

Noting that there was an 11-per-cent decline in European truck sales in 1974, Mr. Agnelli said the downturn had persisted so far this year but added that Iveco hopes to balance lower European sales by pushing sales in Third World countries, especially in oil producing states and in northern Africa.

Mr. Agnelli said Iveco also hopes to strengthen its position in the Soviet Union and other East Bloc nations, noting that KHD won an order for about 2,000 trucks from the Soviet Union last year.

Mr. Agnelli also said he does not think Iveco would set up any truck-making plant in North Africa, where Fiat trucks have a traditionally strong position. But he would not exclude construction of a new plant in such parts being used in Iveco's trucks.

Bruno Becaria, the holding unit's managing director, said Iveco's light-vehicle production would be centered in Brescia, Italy, medium-duty vehicles at

Trappes, France, heavy-duty road vehicles at Turin, construction machinery at Urm and buses and coaches in Cameri, Italy, and at Mainz, Germany.

In 1974, Iveco units produced about 23 per cent of all commercial vehicles made in the EEC, Mr. Becaria said. In Africa, the market share amounted to 15 per cent.

Both Mr. Agnelli and Mr. Becaria excluded the possibility that Iveco will add any other European truck maker to the holding.

Exxon Unit Strikes Oil

TORONTO, April 8 (AP-DJ).—Imperial Oil Ltd. has another oil and natural gas discovery offshore from the Mackenzie River delta in the Canadian Arctic's Beaufort Sea.

Imperial disclosed yesterday that its Adgo P-25 well encountered gas-bearing and oil-bearing reservoirs. The disclosure came on top of increasing rumors that Imperial, controlled by Exxon Corp., had tapped a vast new oil field, possibly a giant, in the Beaufort Sea.

The Adgo P-25 is three miles south of a previously announced oil and gas discovery, the Adgo P-28.

Imperial declined to disclose gas or oil flow rates established in testing of the latest well.

Although Imperial has held that the Beaufort basin was "still an immature oil discovery area," its earlier find and rumors surrounding the latest well have led to reports that the company may have an oil field that would rank among the giants of the Western Hemisphere. Oil or gas reserves of a field as large as that in the Beaufort basin would be at least one billion barrels of oil reserves.

The region lies about 300 miles southeast of the giant 9.6-billion-barrel Prudhoe Bay oil field on Alaska's North Slope.

Siberian Oil Find
MOSCOW, April 8 (AP).—Soviet geologists have discovered a "new big oil deposit" yielding 7,700 barrels a day in the rich Tyumen region of western Siberia, the official Soviet news agency Tass reported today.

It was the 45th deposit discovered in Tyumen in the past five years, Tass said. Western Siberia is expected to produce about 1.03 billion barrels of oil this year, about one-third of the planned production for the entire country.

Meanwhile, Zapata Corp. said that it is positioning its previous announced possible offer of a new series of debentures for its outstanding 4.34-per-cent convertible subordinated debentures due to depressed bond market conditions.

Cleveland Electric Illuminating Co., which just last month lost its triple-A credit rating from Moody's, said it withdrew a planned sale of double-A bonds for \$125 million.

Mid East events confirm Hudson Letter forecast.

ON MARCH 25, the eyes of the world focused on Saudi Arabia. One of the most influential leaders of the Arab World had been assassinated, giving rise to immediate questions of succession, continuity, and stability of the Middle East.

ON MARCH 10, the first issue of The Hudson Letter carried the following analysis: "The real cause for concern about the Middle East is not petrodollars or shifts in the balance of world power. It is the inner instability of the region... The historical record in Afro-Asia suggests that rapid economic development nearly always generates social and hence political strains. The result is usually disorder, coups d'etat, even revolutions."

Hudson Research Europe Ltd. has earned a solid reputation for correctly forecasting political and economic trends. Until now, only the companies and governments who commissioned studies had access to the counsel of this esteemed research institute.

New Hudson Europe and the International Herald Tribune have joined forces to publish

Stock Market Closes Higher In New York

Advance Brings to End
6-Session Losing Streak

NEW YORK, April 8 (DIT).—Prices on the New York Stock Exchange closed higher today, ending a losing streak that had extended over six sessions.

The Dow Jones Industrial average climbed 6.34 points to 749.22. The Dow index shot up, to about the 5-point level in the first half-hour of trading and stayed higher the entire session.

Advancing issues outnumbered declines about 710 to 530.

Volume totaled 14.32 million shares compared with 13.66 million shares traded yesterday.

Brokers said the market reacted favorably to the outset to a brief rally in the New York bond market.

They also said after six days of losses the market was "pretty well sold out" and ready for a recovery. They noted, however, that volume was unusually light.

One broker said the market is "extremely thin" in both supply and demand, which means that wide moves are reflected on small trading.

Pasco gained 2 to 23 3/4 and Studebaker-Worthington climbed 1 1/2 to 29 1/4. Indiana Standard has offered to buy Pasco's Wyoming oil-producing properties for \$220 million in cash. Studebaker-Worthington owns 55 per cent of Pasco. Indiana Standard closed up 1 1/4 at 27 3/8.

The American Stock Exchange index closed up 0.34 to 79.05.

Most active issue was SynTex, which rose 3/4 to 37 3/4 on volume of 60,800 shares.

The NASDAQ industrial average rose 0.25 to 76.54 on the over-the-counter market.

On the bond market, the proposed offering of \$59.88 million of City of Boston, Mass., general obligation bonds was cancelled shortly before the scheduled noon bidding today, according to reports from underwriters.

The bank underwriting sources said the cancellation was apparently the result of current market conditions.

Meanwhile, Zapata Corp. said that it is positioning its previous announced possible offer of a new series of debentures for its outstanding 4.34-per-cent convertible subordinated debentures due to depressed bond market conditions.

Cleveland Electric Illuminating Co., which just last month lost its triple-A credit rating from Moody's, said it withdrew a planned sale of double-A bonds for \$125 million.

FINANCIAL NEWS AND NOTES

Montedison, ICI Plan Joint Venture

Montedison of Italy and Imperial Chemical Industries of Britain, two of the biggest European chemical groups, have agreed on a joint venture for production of aniline. The new company, Anilina SPA, will be based in the Montedison petrochemical complex at Priolo, Sicily. Initial capacity of the plant, to start operating in the second half of 1977, will be 100,000 tons a year. The U.K. company will supply technology; Montedison will supply services and raw materials. Aniline is an intermediate product for a wide range of chemical and pharmaceutical products.

Dictaphone Ends Sternent Merger

Dictaphone Corp. has terminated its proposed acquisition of Sternent Corp. because "required financing on terms satisfactory to Dictaphone was not available." Under an agreement announced Feb. 25, Dictaphone was to pay \$19 for each of the 2.1 million outstanding shares of the dental products firm. Prior to that offer, Cable Funding Corp., through its Magus Corp. subsidiary, had tendered for 35 per cent of Sternent shares at \$14 each, an offer contested by Sternent. Kuwait Investment Co. had a minority interest in the tender offer, and Sternent alleged in a lawsuit filed in an attempt to block the tender that if the offer were successful it would have trouble dealing with the many Jewish customers and suppliers.

Chase to Sell Share in U.K. Bank

Chase Manhattan Bank is selling its 11.9-per-cent holding in the Standard & Chartered Bank group of London. Chase in 1965 acquired

an interest in Standard Bank, which merged with the Chartered bank in 1970. Because Standard & Chartered had a branch banking network in California, the Federal Reserve Board's approval of the equity acquisition of the merged bank was conditional on some form of accommodation being reached over the U.S. operations of Standard & Chartered. The banks say no practical solution acceptable to the Fed has been found, forcing Chase to dispose of its holding. Other major shareholders of Standard & Chartered are Midland Bank and National Westminster Bank. Standard & Chartered has extensive operations in Africa, the Mideast and Asia.

U.K. Auto Imports Gain

New car registrations fell in Britain last month, but imported cars still increased their share of the total market. Total registrations last month were 111,450, down 10.8 per cent from a year earlier and down less than 0.5 per cent from a month earlier. Imports accounted for 32.33 per cent of car sales in March, up from 28 per cent in February and 27.5 per cent in March 1974. British Leyland Motor Corp., the top seller, captured 25.8 per cent of the market, down from 44.9 per cent in February. BMC can sales promotion program in the first two months of the year, but industrial problems have since affected supplies of some of its more popular models. Nissan Motor continued to be the most popular import, taking 5.6 per cent of the market. Overall, U.K. car production in March fell to 106,000 units, seasonally adjusted, down from 121,000 in February and 130,000 in March 1974.

The Hudson Letter, 21 rue de Berri, 75008 Paris, France
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The Hudson Letter

HT 9-74

New York Stock Exchange Trading

[illegible]

You be Harry...

Fred: Harry, in Canada, telephone companies can make a profit.
It says here that they've got about \$6 billion in assets and over \$2 billion in revenue last year.
They've averaged more than 10 per cent growth per year in net income for the last four years.

Harry: It still doesn't ring a bell.
What kind of history do they have?

Fred: (Explains slowly). Harry... the telephone was invented in Canada, 100 years ago.
Bell Canada went public around the turn of this century.
They've got a fistful of solid growers like their largest subsidiary, Northern Electric, who manufacture the hardware.
They're doing business in the United States.
They're offering advice all over the world to governments who pay for it.
They've just developed something called Dataroute, which moves computer information country wide.
And now they're also marketing a little number called Datapac which will do for the computer what the telephone did for conversation.
They...

Harry: Who did you say this was?

Fred: The Bell Canada Group.
They have continuing applied research to develop scientific ideas into useable consumer gear.
Harry, I can't tell you all the things they do.
They've got a quarter of a million shareholders.

Harry: I know, I know.
All little old ladies with ten shares each and all of whom show up at the A.G.M.

Fred: How did you know that?
I thought you'd never heard of them.

Harry: Come on Fred. I'm your broker.

Fred: (Long, long pause) Harry?

Harry: Mmm.


Fred: Harry, I don't have a broker.

Harry: Then you had better disregard all the advice I've given you.

Fred: What advice?
Listen, is this 638 9571?

Harry: No.

Fred: I must have the wrong Harry.

 (Fred hangs up. But it doesn't change the facts.)

Bell Canada

\$5.57. Shareholders: 230,000. For more information please contact: The Treasurer, Bell Canada, 1050 Beaver Hall Hill, Montreal, Quebec, Canada H3C 3G4.

Reviewed by Jean Zorn

-Br Will Weg

- 12 Ladder component
- 13 ———— noire
- 18 Buffalo Bill's birthplace
- 23 Twilled fabric
- 25 On one's ———
- 28 Ship rope
- 31 Coffee break
- 32 Serial part
- 33 Eminence
- 34 Poet's cave
- 36 Height Prefix
- 38 Whipped-cream unit
- 37 Participating
- 40 Modus ———
- 41 Word with all, in the South
- 42 Unbleached linen color
- 47 Absolute ruler
- 48 Nettle
- 49 Gudrun's mate
- 52 Hebrew month
- 54 Marion's dance
- 55 Mink's cousin
- 56 Service
- Infraction
- 57 General
- contemporary
- 58 Seemingly
- Classify
- 59 Official tree of
- 18 Down
- 55 Fijian island group

WEATHER

INTERNATIONAL FUNDS ADVERTISEMENT

1- Japan Pacific Fund ..	\$13.38	ON - Deutsche Mark: - - Ex-dividend: 1 - New N.A. - Not available
JARDINE FLEMING		
1-1) Jardine East. Trust.	\$58.28	SP Belgian francs. LF Luxembourg
1-2) Jardine Japan Fund	\$38.89	bourg francs. SF - Swiss francs
1-3) Jardine Selection NV	012.35	+ - Offer prices: a - Ashan.

WARDEN TELLS ME THE MAN IN THE HAT IS A MODEL PRISONER KNOWN AS THE 'BEGONIA-MAN OF BULLWHIP'.

IT'S WORRYIN' ME, WARDEN.

YOU WANT TO FLIRT WITH WARDEN'S?

NEAR THAT OLD TANK YA DROVE IN TH' WAR, SIR.

RIP THAT'S DEEPLY TOUCHING.

...

"A KISS ON THE NOSE IS A SURE CURE FOR HICCUPS."

By Alan Trusco

[illegible]

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